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INTRODUCTION TO MANAGEMENT FOR INDUSTRIAL SUPERVISORS.
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SUBJECT MATTER AND SUPPLEMENTAL MATERIALS FOR USE IN CONDUCTING A 10-HOUR INDUSTRIAL SUPERVISORY TRAINING CONFERENCE IN BASIC MANAGEMENT FUNDAMENTALS AND CONCEPTS ARE PRESENTED IN THIS TEACHER GUIDE. IT WAS DEVELOPED BY A STATE COMMITTEE AS A FIRST COURSE IN A SERIES FOR SUPERVISORY PERSONNEL WHO HAVE HAD LITTLE OR NO PREVIOUS SUPERVISORY TRAINING AND FOR PERSONNEL WHO HAVE HAD PREVIOUS TRAINING, BUT LACK A BASIC MANAGEMENT COURSE. THE 2-HOUR SESSIONS ARE -- (1) HISTORY OF MANAGEMENT, (2) ORGANIZATIONAL STRUCTURE, (3) MAJOR RESPONSIBILITIES OF MANAGEMENT, (4) ORGANIZED LABOR, AND (5) LEADERSHIP. OUTLINE FORM IS USED FOR MOST SESSIONS AND CHARTING MATERIALS AND CHARTING TECHNIQUES, HANDOUT MATERIAL, DISCUSSION TECHNIQUES, VERBATIM QUOTES, AND VISUAL AIDS ARE PROVIDED. PRESENTATION SHOULD BE ON AN INFORMAL LECTURE BASIS BY A TEACHER SKILLED IN SUPERVISORY TECHNIQUES. THE 20 HANDOUT SHEETS SERVE AS REFERENCE MATERIAL FOR THE TRAINEES. A BIBLIOGRAPHY AND AMPLE MATERIAL ARE PROVIDED SO THAT THE TEACHER MAY ADAPT THE COURSE TO HIS INDIVIDUAL DESIRES. THIS DOCUMENT IS AVAILABLE IN SINGLE COPY ONLY FOR $2.00 FROM VOCATIONAL CURRICULUM DEVELOPMENT AND RESEARCH CENTER, P.O. BOX 657, NATCHITOCHES, LOUISIANA 71457. (HC)

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INTRODUCTION TO MANAGEMENT

FOR INDUSTRIAL SUPERVISORS

VT003024

INTRODUCTION TO MANAGEMENT FOR INDUSTRIAL SUPERVISORS

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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INTRODUCTION

This training course--"Introduction to Management for Industrial Supervisors"--strives to meet two important objectives: (1) to provide training in basic management fundamentals and concepts for those supervisory personnel who have had little or no previous supervisory training, and (2) to provide training for supervisory personnel who have had previous courses in supervisory training, but who may not have had a basic management course.

Both of these objectives have purpose. Every supervisor, whether he is a new member of management, or whether he has had experience but no training, must have knowledge of how management developed, its current status, and how he must use principles of management and leadership for doing an effective job of supervising. Many supervisors, who have had previous organized training courses, were no doubt in classes devoted to various segments of management skills. Actually, management fundamentals, such as this program, should have been the first course taken in the series of supervisory training courses.

The nature of the contents of such a course as this necessitated the preparation of a large quantity of material. The five sessions contained in "Introduction to Management" were planned so that each should take two hours for presentation, or a total of ten hours for the entire course. Because much of the material is of an informational nature, the lecture method will have to be employed; however, the contents include charting techniques, handout material, discussion techniques, and visual aids. By no means should the sessions be conducted in a formal manner, as participants should be allowed much freedom in discussion and individual contributions.

It will be found that ample material is given in each session; this will allow the instructor to tailor the material to fit his individual desires. The outline form is predominantly used, but in Session IV the text form is used. In all cases, the arrangement of the material on the pages is such that will allow the instructor to insert notes or additional points in the left-hand margin or between the entries on the outline. A 10-minute recess should be given midway in each session to break the time interval of the two-hour session. Experience in pacing the material will allow for fitting it into two-hour sessions and arranging for a logical stopping place for the recess without difficulty.

It is extremely important that the entire course be read through for familiarization before attempting to conduct the training for the first time. Also, the Code presented on Page iv should be learned so that there will be no difficulty encountered in using the material as prepared.

The twenty handout sheets will serve well as supplements to the basic course material. There should be a set of these 20 handout sheets available for each trainee who takes the course. These are not to be given out all at once; only when the outline indicates that a handout is to be given out. The trainees should be told at the start that these handouts will serve as a good source of reference material which they can take with them at the conclusion of the training. They can use a letter-size manila folder to retain these in. In addition, trainees should be encouraged to take notes of important material during the sessions, as these notes will provide additional reference material that they can take with them back to their jobs and use.

Sessions II, III, and V have recommendations for the use of visual aids. These visual aids will require the use of a 16 mm. film projector for Sessions II and III, and a 35 mm. sound filmstrip projector for Session V. It is very important that these films be previewed before they are shown at the sessions. The leader's guide, which accompanies each film, should be used for guidance in presenting the films and discussion which follows.

Session IV, "Organized Labor," has about twice as much material as the other sessions. This is because of the nature of the subject matter. Also, no visual aid is used for this session, and only two handout sheets supplement the outline and text material. In addition, if this training course is used in states other than Louisiana, the section which pertains to organized labor in Louisiana, will no doubt be omitted.

If additional readings are required for any of the subject material, sources may be obtained from the bibliography.

Although no tests have been prepared for purposes of evaluating each trainee's understanding and retention of the material presented, the course lends itself well to the preparation of tests without difficulty.

CODE

Plain type	Instructor says in own words
LARGE TYPE	Instructor says verbatim
Material Enclosed in Box	Instructor charts on board
(Material in Parentheses)	Instructions to instructor
Handout Sheet	Indicates handout material

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SESSION I

HISTORY OF MANAGEMENT

I. Introduction

A. (If possible, have management representative of the company open the session; this procedure will definitely have good results by a show of management's interest in the training program.

Make sure that the management representative has been given an outline of the course and has had an opportunity to review it before such introduction is made.)

B. Getting Acquainted

1. (Tell something about your own background, giving brief outline of your industrial or business experience. Indicate what your present position is; tell the trainees that you will serve as instructor for the sessions.)

2. (Have each member of the class identify themselves; ask them to tell something about the work they perform, department which they work in, number of persons they supervise, etc.)

3. (Name cards for each trainee may be prepared--this will allow for easier acquaintance and a change in seating arrangement for following sessions, if desired.)

C. (Give time, place, etc. where and when meetings will be conducted.)

D. (Stress that attendance at all sessions by all trainees is very important. Management may require a copy of your attendance records; therefore, be prepared to submit this upon request. In addition, management may institute its own attendance requirements at the sessions, in which case, these requirements should be discussed.)

E. (If certificates are to be awarded at the conclusion of the sessions, this should be mentioned. If attendance requirements or other standards must be met before certificates are awarded, this should be mentioned.)

F. (Discuss the techniques which will be used in conducting the sessions: lecture, discussion, visual aids, handout material.

Stress the importance of individual participation; how each person will get much more from the training sessions if he takes an active part in the discussion, asks questions, and maintains an interest in what is going on. Encourage each person to take notes.)

G. *** Handout 1 ***

1. (Give a copy of Handout 1 to each trainee. This is to be used to give an introduction to the course and what each session consists of.)

2. (Read through the material in Handout 1; answer any questions raised by trainees concerning the sessions or objectives of each.)

3. (Ask the trainees to retain this handout as it will provide a handy reference to each session's contents and will better prepare them for participation for forthcoming sessions.)

II. Objectives for Session 1

A. (These objectives may be charted before the first session begins for convenience and a saving of time.)

Objectives

1. To trace briefly the history of management
2. To relate the history of management to current management concepts
3. To study the work of Frederick W. Taylor, the areas of scientific management, and evolution of such
4. To examine current management practices and procedures

III. Management Concepts

A. It first must be understood that management prevails in all undertakings and endeavors; i.e., in the fields of business, industry, government, education, and other areas.

B. The term "management" should not be confused with the identification of one type of person or group, rather it should be thought of as an activity or function.

1. It must also be pointed out that persons in a business or industry who have "management" status are those who carry out the management function.

C. MANAGEMENT HAS MANY FACETS; IT IS EXTENSIVE; AND CERTAINLY DIFFICULT TO DEFINE BY USING A FEW WORDS. IN ANY ENTERPRISE, HOWEVER, THERE ARE SIX BASIC ELEMENTS WITH WHICH MANAGEMENT DEALS--THESE ARE FREQUENTLY REFERRED TO AS THE "SIX M'S":

1. Men
2. Machines
3. Money
4. Markets
5. Methods
6. Materials

(Discuss these six elements as they relate to the economics of any organization in its efforts to meet objectives set.)

D. BECAUSE MANAGEMENT IS AN ACTIVITY, SUCH ACTIVITY IS USUALLY DIVIDED INTO CERTAIN AREAS CALLED:

1. PLANNING
2. DIRECTING
3. CONTROLLING
4. CO-ORDINATING
5. ORGANIZING

(Discuss the foregoing only briefly, as they will be taken in more detail in Session III)

E. FROM THE PREVIOUS DISCUSSION, ONE DEFINITION OF MANAGEMENT MIGHT BE:

> "MANAGEMENT IS AN ACTIVITY WHICH PLANS, DIRECTS, CONTROLS, CO-ORDINATES, AND ORGANIZES THE BASIC ELEMENTS OF AN ENTERPRISE TOWARD THE ACHIEVEMENT OF THE OBJECTIVES AS SET BY THE ENTERPRISE."

1. (After charting this definition on the board, give time to trainees to record this in their notes; answer any questions pertaining to this definition.)

F. PLEASE BEAR IN MIND, AND ESPECIALLY BASED ON THE DEFINITION DEVELOPED THAT IT IS NOT ONLY THE PRESIDENT, OR VICE-PRESIDENT, OR SUPERINTENDENT OF AN ORGANIZATION WHICH MUST BE CONSIDERED AS PERSONS WITH MANAGEMENT STATUS; BUT ANY ONE, THE SUPERVISORS, FOREMEN, OR OTHERS WHO PERFORM THE MANAGEMENT FUNCTIONS.

1. (Be sure that the above information is clearly understood by the trainees, as many times the word "management" is misunderstood to mean only persons in the top echelon.)

G. Management makes possible the following:

1. Management gives a degree of effectiveness to human activity

2. A degree of order is given to endeavors

3. Efforts are guided more directly toward stated objective

4. The determination of a proposed method of action is possible

5. Activities are so arranged so that they are carried out in a uniform manner

6. Determination is made of possible solutions to problems or objectives

H. Objectives of Management

1. As with any endeavor or undertaking, management also has certain objectives which it must meet.

2. Management actually serves three groups and these groups are unified by the activity of management.

3. THESE OBJECTIVES AND THE UNIFICATION OF THE THREE GROUPS CAN BETTER BE SEEN BY A DIAGRAM.

4. *** Handout 2 ***

(Discuss the handout with trainees, taking sufficient time for this discussion. The list of objectives under the three main areas do not constitute a complete list--you may want to develop additions to this list.

Also, in your discussion bring out the unification principle involved in these three areas brought about by management.)

IV. Relationship Between History of Management and Present-Day Concepts

A. The art of managing a business in this country has changed greatly during the past years to reach the level it now is.

B. To get a better understanding of the changes which have taken place, it is necessary to review briefly the history of the economic structure of our country:

1. The first types of businesses to develop in the country after the original colonies and settlements grew along the eastern seaboard were basically agriculture and home enterprises.

2. Persons were self-sustaining in that the family usually made or grew everything that it consumed.

3. During the period of colonization of this country, the people here depended upon the few hard goods and manufactured items which could not be produced in the home, from England which was engaged in the large-scale manufacturing economy brought about by the Industrial Revolution.

4. Also, the political ties of the colonies with England made for a strong dependence upon the mother country for many necessities of life.

5. During this period of home enterprises, the head of the family was the one who managed the affairs--devoting time to both production work and the management of the business and personal affairs of the family.

6. After some specialization of work developed in this country, one person, called the proprietor managed the business; he being responsible for investing capital; supervising the work of employees, the sale of the products, and all other related activities.

7. The era of the one-man owner and manager system remained in effect for many years; in fact, we still have many such businesses operating today.

8. The population growth in the infant United States; the demands of the people for better goods and services; the winning of independence by the

colonies from England; the War of 1812 which made the country dependent upon its own resources for military equipment and supplies; and the opening of new trade opportunities for this country were all responsible for the Industrial Revolution developing rapidly in the United States.

9. With the coming of the Industrial Revolution to this country in about 1807, new processes for doing work were initiated and more and more reliance was placed upon machinery and equipment.

    aa. Industry completely moved from the home and the small shop into the factory.

    ab. Workers in industry became skilled in certain areas of work, such as woodworking, or printing, or machine shop, etc.

10. With the development of factories and large enterprises, the nature of business ownership and management changed also.

11. It was not possible for one person to manage such a large and complex organization, with all its problems, objectives, personnel, and specialized work activities.

12. In addition, large enterprises needed investments of capital for plant establishment, expansion, etc.; thus no one person could be expected to finance an entire industry.

    aa. The corporation, the type of business organization which makes it possible for many persons to invest capital, became necessary.

13. Persons trained in the skills of supervision and management became responsible for the operation of the business and who in turn were responsible to the investors or owners of the business.

14. The techniques of supervision and management became important to this type of business; and such techniques were acquired through training, education, and experience.

15. From the foregoing brief history, it can be clearly seen that management has developed with the nature of business itself; but that today, it is a specialized segment which is the guiding force in meeting the organization's objectives.

V. Relationship Between Our Economic System and Present-Day Management Concepts

A. A better understanding of our present-day management concepts can be had by a discussion of the important principles of our economic system.

1. Our American economic system performs two basic functions:

aa. It must decide in some way *what* and *how much* is to be produced.

ab. It must provide a means of allocating or distributing among its citizens the goods and services produced.

B. Our American economic system is referred to in one sense as a *free-enterprise system*; this means that the decisions of what and how much to produce and the manner in which goods and services are to be allocated are made by the free actions of the businesses and industries in the economy.

C. Sometimes, the American economic system is also referred to as a *capitalistic system*; this means that the capital goods or the investment in the business are owned by stockholders who are individuals rather than by governmental agencies.

1. Free-enterprise capitalism implies further that individuals and businesses must be free to obtain and use capital; therefore the ownership of private property is essential to such a system.

D. Consumer demand for a product or service is the primary reason why such products or services are produced; of course, the opportunity *to make profits* serves as an incentive for businesses to produce these goods and services.

(It is necessary to bring to the attention of the group that the profit incentive is of much importance in the American economic system; without such, investors would not be willing to risk capital, nor would businesses be able to expand and grow.)

E. There are usually six broad goals of the American economy:

1. High level of employment

aa. There is a labor force in the United States of about 73 million people (1961 figure);

there will always be some unemployment due to change in jobs, retirements, etc.; however, for purposes of practicability, the economy is considered to have full employment when there is less than 2.5 million persons or 4 per cent of the work force unemployed.

2. Stable Prices

   aa. The purchasing power of money depreciates when prices continue to rise and spiral.

   ab. Persons who put money into insurance policies, pension funds, or savings will find that the value of these amounts will deteriorate greatly as a result of substantial increases in prices over a period of time--thus, a great need for stability of prices.

3. Economic Growth

   aa. Once a level of prosperity has been reached, there must continue to be healthy economy.

   ab. More workers are being added to the work force each year due to population increases; therefore, if the economy doesn't increase, additional unemployment is at hand.

   ac. The productivity of the labor force increases each year; thus the same level of output can be produced with fewer and fewer workers, and additional unemployment will result unless offsetting forces take place.

4. Rising Standard of Living

   aa. A growth in the American economy means a rising standard of living, usually in the form of increased purchasing power of the individual.

5. Economic Security

   aa. The American worker desires security against the loss of his job; or if such happens, unemployment benefits until he can again become employed.

   ab. The American worker also desires to have economic security when he reaches the age that he must retire or cannot work.

6. Economic Freedom

   aa. The preservation of economic freedom is of the utmost importance--the freedom in the choice of a job or business, freedom to spend or to save money, freedom to buy from one business rather than another, and freedom to support or to oppose various economic and political measures.

F. A knowledge of economics is essential for a proper understanding and appreciation of the business and industrial elements of our country's make-up; before a complete understanding of the management aspects can be had, these basic economic principles must be clearly viewed; as basic principles so close to management objectives include:

   1. The economics of production

   2. The economics of distribution

   3. The economics of consumption

   (Discuss these basic principles of economics in relation to scope and objectives of management philosophy.)

VI. Development of Scientific Management

A. The terms "scientific management" have different meanings to different people and are not widely understood; as:

   1. Some think that scientific management is the activity of getting work accomplished in the most effective way.

   2. Some think that scientific management is the modern, latest, and best kind of management.

   3. Some think of scientific management as a complex system of time and motion studies with some type of statistical evaluation.

B. SCIENTIFIC MANAGEMENT IS NOTHING MORE THAN APPLYING PRESCRIBED PRINCIPLES OF MANAGEMENT BASED UPON EXPERIMENTS WITH ACTUAL PROBLEMS IN THE SOLVING OF CURRENT PROBLEMS--A DEPARTURE FROM THE HIT OR MISS, OR TRIAL AND ERROR METHODS OF EARLY MANAGEMENT TECHNIQUES.

   1. MUCH MORE WILL BE SAID LATER ABOUT WHAT PRINCIPLES ARE INVOLVED IN SCIENTIFIC MANAGEMENT AND PERHAPS A CLEARER DEFINITION CAN BE DEVELOPED IN OUR SESSION TODAY.

C. It is necessary to view briefly again the history of the Industrial Revolution so that it can be seen why this revolution or change also brought about a change in management techniques and principles.

1. The Industrial Revolution, as we have seen, changed greatly the industrial activities in a short period of time.

2. This Revolution brought a greater utilization of machines, the centralization of production activities, and new worker-management relationships.

3. Principles of operating businesses which had been used for centuries had to be altered or changed drastically in a short period of time to deal with the enormous changes in industry taking place.

4. From the new industrial complex, there had to arise a new concept in management--based upon some tried and proven principles which could be geared to the factory system which was spreading rapidly.

D. In the early 1800's, a professor of mathematics at Cambridge University in England, Charles Babbage, pioneered some principles based upon a systematic approach to the techniques of management--these were:

1. Recommended that accurate data, obtained as a result of careful investigation and testing be used in the management of an enterprise.

2. Stressed the importance of determining the number of times each operation is repeated each hour; so as to set standards.

3. Pointed out that work can be divided into units or segments; both physical and mental.

4. Advocated that it is proper to pay a bonus to a worker in proportion to his efficiency and has good results with the output of the worker.

E. FREDERICK WINSLOW TAYLOR, HOWEVER, WAS THE MOST INFLUENTIAL OF THE MANAGEMENT PIONEERS IN THE APPLICATION OF SCIENTIFIC METHODS TO THE SOLUTION OF FACTORY PROBLEMS; TAYLOR IS REFERRED TO AS "THE FATHER OF SCIENTIFIC MANAGEMENT."

1. Frederick W. Taylor was a production man, executive, and consultant; He was born in Germanytown, Pennsylvania in 1856; he died in 1915.

2. Taylor's general approach to management is widely accepted; but 50 years or so ago it was a challenge to the established ways of doing things; so controversial a subject that the House of Representatives in 1911 appointed a special committee to investigate it and other systems of shop management.

3. Appearing before several hearings and presenting testimony which Taylor hoped would clear up any misunderstanding about what he believed scientific management to be, he stated:

    a. "...it is not only practicable, but comparatively easy to obtain through a systematic and scientific time study, exact information as to how much of any given kind of work either a first-class or an average man can do in a day."

    b. "Information received from studies used as a foundation, workmen of all classes are not only willing, but glad to give up all idea of soldiering, and devote all of their energies to turning out the maximum work possible, providing they are sure of a permanent reward."

    (The above quotations were taken from a paper presented by Frederick W. Taylor to the American Society of Mechanical Engineers; June, 1903.)

4. From study and observation, Taylor believed that one of the major difficulties in an effort to increase production was the lack of a precise standard by managers of what they expected workers to produce.

    a. It was upon this premise that Taylor carried out experiments and studies to determine if such a standard could be developed; and if so, this would serve as a basis for better management techniques.

5. The work involved in Taylor's approach to a scientific solution to management problems included:

    a. Made studies of machines, equipment, tools, methods, and skills.

    b. Analyzed the sequence of steps taken in performing a job.

    c. Studied information on the operating time of a machine and the operations required to perform certain jobs on the machine.

   d. Studied various degrees of skills required to do a job based upon machine operation.

6. From the studies he made, Taylor was able to establish a standard of expected quantity and quality of output.

   a. Most important, too, from the management standpoint, to designate the procedure to be followed in order to obtain the desired quality and quantity of output.

7. IN SUMMARY, FREDERICK W. TAYLOR BELIEVED THAT MANY OF THE PROBLEMS OF MANAGEMENT COULD BE SOLVED BY THE USE OF SCIENCE, THAT USEFUL KNOWLEDGE COULD BE OBTAINED BY MEANS OF EXPERIMENT AND TESTING, AND THAT MANAGEMENT COULD RELY UPON METHODS WHICH WERE NOT BASED UPON CHANCE OR GUESSWORK.

8. Taylor advocated that effective management was based upon the scientific approach; and that it was necessary for the manager to:

   a. Develop a science or recommended procedure for each phase of the employee's work.

   b. Select and train workers in a prescribed manner.

   c. Establish friendly co-operation with employees.

   d. Assume the responsibilities for getting the job done and over-all managing activities.

F. A DEFINITION FOR SCIENTIFIC MANAGEMENT WOULD BE:

THE USE OF STUDY, CONTROLLED EXPERIMENTATION, AND CAREFUL EVALUATION OF BUSINESS PROBLEMS RESULTING IN PRESCRIBED METHODS USED IN MANAGEMENT ACTIVITY.

G. THERE ARE SOME PRINCIPLES OF SCIENTIFIC MANAGEMENT WHICH ARE WELL TO CONSIDER. THESE ARE PRESENTED IN HANDOUT 3.

***Handout 3 ***

(Take necessary time to discuss the twelve principles of scientific management. You will find these principles based greatly on modern management practices of today.)

H. Additional Points Concerning Scientific Management

1. Management practices today incorporate many of the features advocated by Frederick W. Taylor.

   a. Especially true is the setting of standards; the prescribing of good communication channels, the scientific selection and training of workers; and the setting of objectives and goals.

2. Scientific management principles, as we know them now, will be advanced and improved; management has not reached the point of perfection.

   a. There is no doubt that new means will be developed for discovering and correcting errors of management.

3. Scientific management can be applied to every field of management; although easier to apply in some than others.

   a. The foreman who is supervising a production worker has just as much opportunity to practice scientific management as does the corporate executive whose management duties differ greatly from the foreman.

   b. The office manager, the sales manager, the industrial superintendent, the first-line supervisor, or whatever the management level may be, opportunities are available for the practice of scientific methods in the management techniques.

4. Scientific management tells what is efficient, decides exactly how efficient it is, and explain the why.

   a. These consist of applying measurement to management and studying results.

VII. Human Relations Development in Management

A. The development of the human relations aspect--that is, the stress upon the worker as an individual--brought about important changes in management concepts.

B. FRANK GILBRETH WAS AN EARLY ADVOCATE OF HUMAN RELATIONS AS IT APPLIED TO MANAGEMENT PRACTICES.

1. Frank Gilbreth, 1868-1924, played an important part in management development.

2. Gilbreth advocated the interest in human beings and human effort, applying to this interest an enormous capacity for organizing detail,

3. Both Frank Gilbreth and his wife, Dr. Lillian Moller Gilbreth worked as a team in this field of management; the result being the development of motion study as a basic management technique.

4. The basis for the Gilbreths work in management was the emphasis on the employee as an individual whose productivity depended on attitude, opportunity, and physical environment as much as on the use of correct methods and ideal equipment.

   (Stress this point as it will make the principles of Gilbreth as listed later more meaningful to trainees.)

5. As Gilbreth developed his ideas on improving methods, his interests broadened and he became a consultant in management engineering, although his early career was in the construction trade.

C. One feature of the Gilbreth's work proposed in 1916 and referred to as "One Best Way To Do Work" anticipated by almost 50 years of what is called now systematic management development.

   1. Systematic management relies upon systems as base guides in directing managerial thinking and operations.

   2. Policies, procedures, and assistance in decision making are incorporated in established systems which automatically take care of most problems as they arise and which furnish follow-up reports on what has taken place.

   3. As would be indicated from the basis of systematic management, there does exist static features.

      a. Systems of management, like any other systems, have a tendency to remain in force once they are established.

      b. Rigid habits in the way of doing work is in evidence when a system is established.

      c. Attitudes toward the means of solving problems tend to become fixed and to follow a set pattern in a system.

   (From the foregoing discussion, it is evident that systematic management techniques are used today to some degree and supplement the dynamic types of management methods.

If time permits, it would be well to ask trainees to contribute examples for discussion of how or where such systematic techniques are used.)

D. Selected principles of the Gilbreths' theory of management:

(Only a few selected principles will be presented in statement form; they should be self-explanatory for discussion purposes or to answer questions.)

1. It is necessary not only to observe present conditions carefully, but to think things through, and to ask not only what is efficient, but how and why it is efficient.

2. Management cannot properly be compared, rated, or judged without measurement.

    a. Units of measure, which should be able to measure the quality of management, should be applied consistently for as much accuracy as possible.

3. The science of management may not determine standards of right and wrong, it can, and actually does determine standards of efficiency.

4. To determine standards of just and ethical procedure, management must:

    a. First, conserve the best of the past.

    b. Second, organize the present.

    c. Third, forecast and plan for the future.

5. The best way to do a job is always the simplest way after it is learned.

    a. Many jobs are handled in a complicated way because there is no system set up in detail for maintaining the simplest way.

6. Past and present measurements indicate the trends of similar events in the future, as

    a. A man should be able to estimate what he will do if conditions remain the same as they are at present.

    b. A man should be prepared to meet almost any emergency by some planned-for approach in his program.

7. How long it takes to do work is not so important as How to do it in the one best way.

8. Too little attention is given to the great waste of unnecessary fatigue.

    a. A great waste as borne out by time and motion studies is attributed to unnecessary fatigue--the elimination of unnecessary fatigue pays in actual money savings.

9. Workers will co-operate in every respect in the advancement of scientific management if they are assured a fair deal.

10. Enforcing repetitive unproductive and uninteresting motions spoils employees for real work later.

11. Management should be so geared to where it will run along scientific lines, and that it should adjust itself to adhere to predetermined plans based on past and present experiences.

E. Hawthorne Experiment

1. The Hawthorne Experiment is one of the most famous industrial relations studies in the field of management and the human relations aspect.

2. The Hawthorne Experiment was conducted at the Western Electric Company--the experiment was a series of studies aimed at finding the relationship to production of employee working conditions such as rest pauses and length of work day.

3. These studies, which probably had the most influence in the field of human relations and the science of getting work done through people were called the "Hawthorne Experiment" because they took place at the Hawthorne, Illinois works of Western Electric Company, starting in 1929.

    a. The experiment provided the basis for much of what we know about getting along with all employees and with problem employees in particular.

(The following text material will go into detail of the Hawthorne Experiment. If additional reading is required, refer to: "Hawthorne and the Western Electric Company," pages 417-436, Classics in Management, American Management Association.)

4. The Hawthorne Experiment was conducted by George Elton Mayo and F. J. Roethlisberger of the Industrial Research Department of Harvard University and William J. Dickson of the Western Electric Company.

    a. FROM THESE STUDIES OF INDUSTRIAL WORKERS ON THEIR JOBS, IT WAS CONCLUDED THAT A SENSE OF PARTICIPATION AND A FEELING OF BEING A MEMBER OF A TEAM ARE STRONGER MOTIVATING FORCES THAN ECONOMIC SELF-INTEREST, LIGHTING, REST PERIODS, AND SIMILAR MATERIAL INFLUENCES.

    (It is well that the Hawthorne basis for management be contrasted with those of Taylor and Gilbreth so that the trainees will have this distinction clearly understood.)

5. The Hawthorne Experiment was brought about by the team of Harvard consultants (names previously given) and the willingness of the president of Western Electric Company to have such an experiment conducted even though it seemed that the workers would benefit more than management from the results of the studies, if accepted.

    a. In addition, the engineers at Hawthorne excelled in matters of applied science and of organized industrial operation, but who wished to find out why human co-operation could not be as exactly and precisely determined by the administrative organization.

6. Early stages of the studies demonstrating the effect of illumination at Hawthorne proved frustrating to those skilled in the physical sciences.

    a. All conditions of a scientific experiment were in good order, but results were confusing.

    b. Lighting was improved in the experimental room and production went up; but it also rose in the control room.

    c. When lighting was decreased in the experimental room, production again went up; and in the control room with lighting held constant, production also rose.

    d. It had at first seemed so simple that an improvement in working conditions always brings about improvement, this illumination experiment proved not so.

e. It became apparent that not only the physical environment must be controlled and studied, but the physiological changes of personnel must be studied.

7. In the first phase of the experiment at Hawthorne, a test room was used; a group of workers were assigned to this project and allowed to become closely associated with each other in an informal team.

   a. In the test room, the conditions of the work changed, one at a time; rest periods of different numbers and length, shorter working day, shorter working week, food with soup or coffee at recess periods.

   b. Production of the workers rose to a very high level; workers claimed less fatigue and that they were not making any special effort.

   c. DURING THIS PHASE, THE WORKERS HAD BEEN CONSULTED WITH RESPECT TO ALL PROPOSED CHANGES AND THEY HAD ARRIVED AT A POINT OF FREE EXPRESSION OF IDEAS AND FEELINGS WITH MANAGEMENT.

   d. After a certain period of time, the workers returned to the original conditions of work--no rest periods, no midmorning lunch, no shortened day, etc.

   e. THE IMPORTANT PART OF THIS EXPERIMENT, BUT WHICH AT THE TIME WAS CONFUSING TO THE CONSULTANTS, WAS THAT AFTER THE RETURN TO THE ORIGINAL CONDITIONS OF WORK--NO REST PERIODS, NO LUNCH SERVED DURING BREAKS, NO SHORTENED WORK PERIOD--DAILY AND WEEKLY OUTPUT ROSE TO A POINT HIGHER THAN AT ANY OTHER TIME.

   f. THIS WAS CONCLUSIVE EVIDENCE THAT THE CHANGES INTRODUCED IN EXTRA BENEFITS AND COMFORTS WERE NOT RESPONSIBLE FOR INCREASED PRODUCTION--A SITUATION VERY SIMILAR TO THE ILLUMINATION EXPERIMENT.

8. WHAT HAD ACTUALLY HAPPENED IN THIS FIRST PHASE EXPERIMENT WAS THAT THE WORK FORCE BECAME A TEAM EFFORT AND EACH MEMBER GAVE WHOLEHEARTEDLY TO CO-OPERATE IN THE EXPERIMENT.

   a. THE RESULT WAS THAT THE WORKERS FELT THEY WERE CONTRIBUTING INDIVIDUALLY AND FREELY; THAT THEY WERE WORKING WITHOUT FORCE FROM ABOVE OR BELOW; THAT THIS FEELING OF WORKING UNDER LESS PRESSURE THAN BEFORE RESULTED IN THE PERFORMANCE THUS MEASURED.

9. In order for the consultants to note the exact differences between conditions in the test room and the departments of the plant, they turned to the interview program to provide this information.

    a. They found out very early that the question-and-answer type of interview was not effective, as the workers wished to talk freely, but did not want to be abused for what they said.

10. Interviewers were trained for this phase of the experiment, and they were instructed to:

    a. Give their whole attention to the person being interviewed.

    b. Listen and don't talk unless necessary.

    c. Never argue or give advice.

    d. As the interview proceeds, plot out tentatively the pattern being set so that a later summarization could be made.

    e. Make it clear to the worker that everything that is said is considered a personal confidence and will not be given to management except as a compiled report.

11. The interview program had much success and the workers participated freely in their comments by expressing their ideas and feelings, something which management had not understood clearly in the past.

12. THE HAWTHORNE INTERVIEW PROGRAM HAD DEVELOPED MUCH SINCE ITS BEGINNING--WHERE IT WAS ORIGINALLY DESIGNED TO STUDY THE COMFORT OF WORKERS IN THEIR WORK AS A GROUP, IT HAS COME TO THE CLEAR UNDERSTANDING OF THE RELATION OF WORKERS TO MANAGEMENT AS ONE OF THE FUNDAMENTAL PROBLEMS OF INDUSTRY.

13. THE HAWTHORNE EXPERIMENT ENABLED THE UNDERSTANDING THAT MANAGEMENT MUST BE CONCERNED WITH ORGANIZING TEAMWORK AND THAT CO-OPERATION AMONG WORKERS IS IMPORTANT TO THEIR EFFECTIVENESS.

14. BECAUSE OF THE IMPORTANCE OF THE HAWTHORNE EXPERIMENT AND ITS CONTRIBUTION TO PRESENT-DAY MANAGEMENT PRACTICES, LET'S TAKE A SUMMARIZATION OF THIS EXPERIMENT.

    a. SO THAT YOU CAN HAVE A REFERENCE OF OUR DISCUSSION RELATIVE TO THIS EXPERIMENT, MAJOR SUMMARIZATION POINTS ARE COVERED IN HANDOUT 4.

*** Handout 4 ***

(Many of the points in the summarization are those already gone over. However, take any questions; discuss any points if time permits.)

VIII. Management and Organization Progress

A. Management today is faced with many diverse and complex problems--owners, stockholders, the general public and government regulations bring many pressures to bear.

B. However burdensome the problems which faced management in the past and which now are always present, much progress has been made over the years in the development of organization unity.

C. It is safe to say that the success of any organization depends upon having an adequate number of human beings in the right job at the right time, all producing at their highest capacity--this has been an achievement of competent management.

1. Many persons define management as "getting things done through the effort of other people."

2. Of course, it is the combined efforts of persons in an organization working toward a common goal which management must control, direct, and supervise.

D. Certainly every organization does not grow just because the entire economy is expanding--the growth of any one particular organization will have to be earned.

1. Progressive management is the requisite for organizational growth; creative management persons have contributed to such growth.

E. The organization to prosper and grow needs the right type of leadership found in its management.

1. Usually the proportion of managers relative to all employees is about 10 to 1; this means that about 90 per cent of the people in an organization look to the top 10 per cent for guidance, support, and leadership.

F. Some of the characteristics which management has demonstrated it must possess to chart the organization on a course of progress include:

1. Assumes and shoulders management responsibilities

2. Stresses good communications, both downward and upward
3. Directs the work of subordinates in an objective manner
4. Displays organizational ability with reference to personnel
5. Realizes financial profits on operations
6. Has a thorough knowledge of the organization and its personnel
7. Practices highest degree of professional ethics
8. Has understanding of basic business economics and finance
9. Possesses emotional maturity and objective viewpoint
10. Possesses leadership qualities

(The list is by no means complete; additional characteristics may be added by the trainer, or by contributions from trainees.)

IX. The Identity of Management Today

A. Through the definitions developed in the session and from the historical approach to management which has been presented, it is evident as to where management stands today.

B. America's economy is expanding at a tremendous rate, and it is predicted that the total production of all goods and services will reach new marks in the not-too-distant future.

  1. Management will continue to be the guiding force in this economic growth; decisions will continue to be made from the management level; and leadership will continue to be exhibited at the management level.

C. Management in today's businesses and industries might be thought of as representing three distinct levels.

  1. Policy management--this level includes the presidents, vice-presidents, chairmen of the boards, executive vice-presidents in charge of various functions, etc.

    a. Normally these management persons are elected and are held responsible under certain company bylaws to stockholders (owners), customers, and public,

2. Executive management--this level of management is that group of persons who are charged by the policy management with the administration of the organization's work within some broad scope.

    a. Persons in this group usually include plant superintendents, sales managers, personnel manager, industrial relations manager, chief engineers, etc.

3. Supervisory management--this level is represented by foremen, supervisors, department heads, first-line supervisor, etc.

    a. It is usually these management persons who directly supervise and manage workers.

    b. A foreman or supervisor is in charge of on-the-job activities and as a member of line management exercises authority delegated by management.

D. It is interesting to note that from federal statutes, a legal definition for the "supervisor" is given; such definition as prescribed by the National Labor Relations Act is:

1. "The chief distinguishing feature of a supervisor is his power to hire and fire employees, or to recommend such action with every reason to expect that his recommendation will be followed; to be exempt from the overtime provisions of the Wage-Hour Law, he must direct the work of at least two persons and must receive a salary of $80 a week for week in which he does any work at all.

(The purpose of the foregoing has been to again emphasize the status of supervisors as members of the management team.)

X. Functions of the Manager of Tomorrow

A. It is always difficult to predict just what economic conditions will exist in the years to come; however, based upon a study of the past, and a serious look at present trends, much factual information can be had--such information constitutes a reliable base for projections into the future.

B. First, it is ever evident that the trend of economic development will affect the role of management more than any other single factor.

C. Next, the action of government through regulatory practices will play an important part in determining the make-up of future management.

D. From the foregoing comments, it can be concluded that the functions of the manager of tomorrow indicates that:

1. The manager of tomorrow might well find himself in the corporation-type or large business organization, rather than a small or medium-sized organization.
    a. This type of situation will tend to increase the need for more management functions, because big business needs management for the various functions always present.
    b. Even if big business decentralizes, as has been the case in many instances, more managers will be needed; because when a company divides itself into several self-containing parts, each of these parts must be headed by a group of managers.
2. The manager of tomorrow will assume a more professional role, which will include more reliance on a prescribed code of management ethics.
3. The manager of tomorrow will find the management objective toward the community and public an important part of his total functions.
    a. This is in evidence today, as more and more managers and supervisors are taking a more active part in community fund drives, projects, etc.
4. Functions of management in the future will come more and more under the watchful eyes of government regulations and the manager must gear his actions to comply with these edicts.
    a. Examples of such include the Wage & Hour Law, Food and Drug regulations, Security Exchange Commission, Congressional investigations of various kinds, and more recently the Civil Rights Act of 1964.
5. Managers will rely more on scientific principles of management than they have in the past.
6. With the coming of big business and the diversification of various segments of business, management will be called upon to improve and deal more so with communications in the organization.

7. It also seems that management functions will be involved with social problems more so than in the past; this being brought about by the emphasis on human relations and the desire to afford personal security in the economic society.

8. The era of automation will also give additional problems of personnel to management; and on the other hand will add additional areas of organizational supervision based on machine technology.

9. In summary it appears that every organization in the United States will be reshaped by social changes, economic shifts, government policies, new management theories, labor revolution, and innovations in production machinery and techniques--these all represent new horizons which management must recognize as its tomorrow's challenges.

(This completes Session I. Announce the topic for Session II, "Organizational Structure," before adjournment.)

SESSION II

ORGANIZATIONAL STRUCTURE

I. Objectives for Session II

A. (These objectives may be charted before the session begins for convenience and a saving of time.)

Objectives

1. To study types of business organizations; legal aspects, financial aspects, and control
2. To study organization types and their functions
3. To study departmentation and functions of departments
4. To present a clear understanding of department relationships within the organization

(Read through objectives; take questions, add any additional comments concerning these objectives, or for the introduction to Session II.)

B. THESE OBJECTIVES ARE PRESENTED IN HANDOUT I WHICH I HOPE YOU HAVE REVIEWED PRIOR TO COMING TO THIS SESSION.

C. THESE OBJECTIVES OF SESSION II WILL BE COVERED DURING OUR TIME TOGETHER TODAY; AND I AM SURE YOU WILL SEE HOW OUR MATERIAL FOR THIS SESSION TIES IN VERY WELL WITH THAT COVERED IN SESSION I.

II. Forms of Business Organizations

A. FROM THE HISTORICAL APPROACH TO MANAGEMENT DEVELOPED IN LAST SESSION'S WORK, YOU WILL RECALL REFERENCES MADE TO DIFFERENT TYPES OF BUSINESS ORGANIZATIONS; HOWEVER, WE NOW WANT TO TAKE A MORE INTENSIVE LOOK AT THESE ORGANIZATION TYPES.

B. MANAGEMENT IS RELATED TO ORGANIZATION TYPE, SO IT IS WELL TO UNDERSTAND THIS RELATIONSHIP BETTER AND FROM THIS STUDY WE SHALL ACCOMPLISH OBJECTIVE I OF OUR SESSION.

C. When this country was young, our economy was simple compared to what it is now.

  1. Capital was scarce; but with hard work and determination on the part of the American people, the economy grew and developed.

  2. With determination and a certain amount of leadership qualities, a person could start his own business; with just a small amount of money needed to buy a few simple tools and a small amount of materials.

  3. What the infant industries could not provide for the people of this country, the average family made at home, or did without.

  4. There were a limited number of companies during this early period of American history--those in the shipping or trading business were relatively big for that period, but business for the most part was small, identified with the family unity or the sole owner.

  5. As the population grew and the natural resources began to be developed and used, industry flourished and became increasingly more complex.

  6. This growth pattern has not ceased, and today the country is enjoying its greatest economic prosperity in history with business and industry continuing to expand and grow.

D. THE QUESTION, OF COURSE, WHICH NEEDS TO BE ANSWERED HERE IS: WHAT IS THE MAKE-UP OF THIS COMPLEX ECONOMY AS FAR AS THE TYPE OF BUSINESS ORGANIZATION IS CONCERNED?

  1. Sole proprietorship

    a. The sole proprietorship, sometimes called the single proprietorship, is a business unit owned by a single person who receives all the profits and assumes all the risks of ownership.

    b. The sole proprietorship has been a popular type of business organization in this country; being the only type which was in use during this early period of economic history previously mentioned.

    c. The sole proprietorship is probably the simplest type of business organization, as all management functions emanate from one person, the owner.

d. The sole proprietorship is in a limited sense popular today, but this popularity seems to be limited to certain types of businesses.

e. In an analysis of statistics for the number of business organizations functioning in our economy today, the percentage represented by sole proprietorships in manufacturing or heavy industrial plants is comparatively small.

f. On the other hand, the number of business organizations functioning in the economy as personal service enterprises and retail establishments represented by sole proprietorship is large.

g. Usually a sole proprietorship is considered "small business," but this distinction does not always hold true; many large business organizations are owned and operated solely by one person.

h. In some cases, large organizations can be found whereby the owner delegates certain management responsibilities to others--this type of organization is still classed as a sole proprietorship.

i. In the sole proprietorship, the owner has the responsibility of raising additional capital if needed; he must do this in his own name based upon his business and personal character.

  aa. If the owner does not have personal funds to turn to, he must borrow from some type of financial institution.

j. The sole proprietor must stand legally responsible for all debts of the business; property of the proprietor may at any time be levied upon regardless of whether it is among the business assets or the owner's personal assets.

(It is well to stress this point--that the owner's personal property becomes subject to the satisfying of a debt incurred by the business.)

k. A sole proprietorship type of business begins at the will of the owner--it also ends with the will of the owner.

  aa. Death of the owner, of course, ends the business under the ownership of the person.

ab. Heirs or others may continue to operate the business after the death of the proprietorship; but in this case, ownership interests have changed.

ac. Court or legal action may dissolve the sole proprietorship type business; such as a proceedings of bankruptcy.

l. The sole proprietorship is not subject to extra taxes or excessive rates which other business organizations must pay; however, the owner must report the income of the organization as personal income to him, regardless whether it is withdrawn from the business or not.

m. In some respects, the sole proprietorship is at an advantage in ease of functionalizing management in relation to other forms of organizations; the individual proprietor is the sole judge of his business affairs and does not have to be concerned with others in the organization misrepresenting him in legal or other matters.

n. The sole proprietorship does not suffer any disadvantage from undue government regulation based upon the organization structure.

o. In the transfer of ownership of the sole proprietorship, the owner can sell or transfer his interest easily, but subject to the claims of existing creditors against him.

2. Partnership

a. The partnership form of business organization has many of the same features as the sole proprietorship in that two or more persons carry on as co-owners of the business for profit.

b. The Uniform Partnership Act, adopted by a large number of the states, calls the partnership "an association of two or more persons to carry on as co-owners of a business for profit."

aa. This definition states clearly the nature of a partnership from the legal point of view.

c. Partners contribute their property, services, and business experience, or a part of them, for the purpose of engaging in, and sharing the profits or losses of a legal enterprise.

d. The partnership form of organization is also usually found in a reasonably small business where only a few partners are required in order to secure the needed capital, and in the professions where the relations of the firm to its clients involve a personal responsibility.

    aa. Partnerships are very common in the personal service enterprises or professions, such as doctors, lawyers, business services, consulting engineers, etc.

e. In the partnership, each partner is the agent of the partnership; if one partner enters into an agreement, the other partner is bound by this act if the goods or services contracted for are such as the business uses or might use in its operation.

f. A partnership, because of its personal nature is short lived.

    aa. It may be dissolved as the result of the death, incapacity, or withdrawal of one of the partners.

    ab. If a partner sells his interest, the partnership terminates; if the members admit another partner, the old partnership ends, but a new partnership is brought into existence.

g. Each member of a partnership is jointly and individually liable for the debts of the partnership; therefore, a partner may not only lose what he has invested in the partnership, but also be required to use his private property to pay the debts of the partnership if the business becomes insolvent.

h. Suits of law cannot be brought by or against a partnership as a firm, but must be by or against the individual partners, either severally or jointly.

i. There is no legal limitation on the purpose for which a partnership may be organized (except for illegal business operations), or on the length of time for which it may be organized, or on time or conditions of dissolution.

  - aa. Legal notice must be given, however, of the dissolution of a partnership, or of the withdrawal of a partner, or partners, to avoid liability for further debts incurred in the partnership name.

j. The property invested by a partner in a partnership is no longer his own personal property, but is jointly owned by all partners.

k. Disputes, misunderstandings, and difficult situations are liable to arise in the partnership because of the peculiar relationship existing between the partners.

  - aa. To prevent these from occurring, a contract is usually prepared, known as the "articles of copartnership" which spells out in definite terms such provisions as: rights of partners, provision for dissolution, duties of each partner, sharing of profits and losses, etc.

l. The partnership form of organization has an advantage over the sole proprietorship form in that a greater accumulation of capital is possible; this usually being the chief reason for the formation of a partnership.

m. The partnership form also permits the combining of skills and experience of two or more people, where the sole proprietorship has only the one person.

  - aa. A specialization of duties is also possible; one partner may supervise production, the other assume supervision of the office.

n. It must be pointed out that the chief disadvantage of the partnership form of organization is the fact that friction frequently develops between the partners, each of whom has equal powers and rights in the management of the business.

o. However, many successful partnerships are in existence today; their operation based on sound management principles which prescribe integrity, trust, and business competence on the part of each partner.

3. Corporation

   a. The corporation or corporate-type of enterprise is the most important organization form currently in use--with the growth of large business units and a demand for more capital, the corporation through its unique features satisfied this demand.

      aa. Without question, the corporation has become the dominant form of business organization in the United States.

   b. The historical roots of the American corporation were in England from where this type organization was inherited.

      aa. At first, the king in England granted the right to a group to incorporate.

      ab. Later this right came to be invested in Parliament which granted charters to certain enterprises which met prescribed requirements.

      ac. This early granting of rights to incorporate was usually a political favor and was subject to objections by many who felt that such political patronage was not equitable.

      ad. Finally, enabling acts were passed in England which granted any group the privilege of incorporating a business by filing an application showing conformity with the law.

      ae. The distinguishing feature of the English corporation and the term still used today is "Limited." This term, sometimes abbreviated "Ltd." follows the company name, meaning "limited liability."

      af. Some corporations in this country still carry the "Ltd." identity, as these were incorporated under early American statutes which followed closely to those laws of England.

   c. The popularity of the corporation type of organization spread from England to this country and in 1811 the first of the general incorporation acts was passed by the state of New York.

aa. The chartering of business corporations, with the exception of the national banks, has been almost exclusively the function of the states, rather than the federal government.

d. The Supreme Court of the United States has defined a corporation as "an association of individuals united for some common purpose, and permitted by the law to use a common name, and to change its members without the dissolution of the association."

e. BECAUSE OF THE IMPORTANCE THAT THE CORPORATE STRUCTURE HAS IN BUSINESS ORGANIZATIONS TODAY, AND BECAUSE THE CORPORATION HAS CERTAIN FEATURES THAT DISTINGUISH IT FROM OTHER TYPES OF BUSINESS ORGANIZATIONS, A CLOSER LOOK MUST BE TAKEN OF THE CORPORATION.

aa. HANDOUT 5 HAS BEEN PREPARED TO GIVE YOU A BRIEF SUMMARIZATION OF THE CHARACTERISTICS.

*** Handout 5 ***

(Cover the 10 characteristics in Handout 5, taking any questions for discussion.

The characteristics of limited liability, increased capital accumulating abilities, and taxation are those which should be stressed greatly, as they relate directly to management principles.)

f. The corporation is managed and operated under a system of delegated authority and definite lines of responsibility.

g. The corporation maintains centralized control over its activities, even though it may have thousands of stockholders.

h. A simple organizational chart showing this delegation of duties is found in Handout 6.

*** Handout 6 ***

(Discuss this handout with trainees. It must be made clear that this is not a complete organizational chart; only an illustration showing a basic diagram of the corporate structure. The following points may be of some value while discussing this material:)

1. In a corporation, the proprietorship is vested in the stockholders--the ownership of the stockholders is evidenced by shares of stock.

2. Although the ownership and control of the corporation is vested in the stockholders, such control and management is delegated to the board of directors.

    a. The board of directors is directly responsible to the stockholders for the supervising and controlling of the operations of the business.

3. The board of directors select the president and the corporate officers (usually vice-presidents, secretary, and treasurer) who determine the operating policies of the corporation.

    a. Although the corporate executives are selected by the board of directors, they act under the authority and control of the president.

4. The executive staff is selected by the president and corporate officers and include department heads.

5. The executive staff selects the supervisory staff which includes all types of supervisors and management personnel; this staff is directly responsible to the department heads.

6. Last on the chart are the workers who are supervised and directly under the department foremen and others on the supervisory staff.

7. Delegation of authority begins at the top and goes down through the entire organization; while responsibility goes from the bottom up, each segment of personnel responsible to that segment above it.

4. Business Trust

    a. This type of organization is not as popular in use as the other three types discussed; however, it is used primarily for:

aa. the business of real estate

ab. temporary situations which make it desirable to fix the control of a business in the hands of trustees for a short period of time.

b. Although the trust has certain desirable features as: freedom of owners from liability to creditors, transferable shares, easy division of managerial functions, and ease in raising capital, it has not had the widespread use as does the corporation.

c. Because state laws are not uniform in relation to the creation and operation of trusts, there has been reluctance to use this form in operations which are not confined to just one state.

d. Trusts do not have long lives; in most states the duration of a trust is limited to a certain number of years.

e. Historically, the trust has not been popular as it has been associated with monopolies, i.e., oil trust, steel trust, etc.

(As the business trust does not seem to give promise of becoming an important type of business organization, only a limited amount of material was thus given.)

5. Joint Venture

a. This type of organization is sometimes spoken of as a "syndicate."

b. The joint venture is limited to a single deal or undertaking as opposed to operating a business on a permanent basis.

c. The joint venture has centralization of authority in the manager--usually the business operates in the manager's name.

d. Today, the joint venture has wide usage in financial operations, whereby a group or syndicate, acting through a manager purchases and sells securities, stocks, bonds, etc.

e. In joint ventures, those who participate or contribute personal efforts are paid a certain amount, and profits or losses are divided among the participants in the ratio of their capital contributions.

(As the joint venture is not as popular and not used as widely as the sole proprietorship, partnership, or corporation, only a limited amount of material was given.)

III. Principles of Organization

A. Definition of organization:

1. An organization is a grouping of persons together so that they can work effectively toward a goal which members of the group want to achieve.

(In discussing this definition with trainees, the additional following points can be made:)

1. The goal of a business organization, which has been pointed out previously, is to earn profits, to satisfy the needs of customers and community, and to provide employment for a certain number of persons.

2. There are other satisfactions of the organization, in addition to material ones; such as sense of accomplishment, contribution to need of economy, maintaining full employment, etc.

3. The organization provides unity to the persons in the group, as well as to the activity of the group.

4. Without the organized grouping in business and without the unity of action, havoc and confusion would result, with little or no accomplishments.

B. Reasons for Organization

1. The basic reason for organization is found in the need for effective and efficient co-operation.

2. If an organization has no objectives or goals, there would be no reason for it to organize.

3. With some type of organization structure, co-operation toward certain objectives can be more productive and less costly with the reason of economy in attainment of objectives must be considered.

4. Organization provides that every segment of it is contributing toward the attainment of organization objectives.

5. The organization maximizes the satisfaction of individuals while at the same time strives toward meeting the enterprise's objectives.

6. The organization makes it possible to evaluate and study the results of the enterprise's activities.

C. Authority, Responsibility, and Delegation

(These areas will be treated only as they apply to the organization structure; their function as a responsibility of management will be discussed in Session III.)

1. Authority is defined as:

   a. The power or the right to act, command, or prescribe action by others.

2. Authority may be given by:

   a. the position as indicated in the organization structure of the enterprise.

   b. acceptance of a custom or way of doing things over long periods of time.

   c. a skill or special knowledge of the situation.

3. Authority is usually handed down to a person from someone above him; this person in turn hands down authority to someone below him.

4. For the supervisor to be held accountable for results, he must be given adequate authority to handle the situations he encounters.

5. The areas of authority must be communicated and made clearly known; such to be effective must be expressly stated, not just implied.

6. Responsibility is defined as:

   a. The obligation of a person to carry out assigned tasks and duties to the best of his ability.

7. Responsibility and loyalty to the organization and its objectives are very much related.

   a. Responsibility can be to a person, a cause, a certain job, or to the organization in general.

8. Usually, responsibility is represented from the bottom of the organization chart upward; just as authority is handed downward from the top executive to the supervisor to the worker; responsibility must be exhibited from the worker to the supervisor to the top executive.

9. It is well to have within the organization the duties, authority, responsibility, and relations of everyone clearly and completely prescribed in writing.

10. WHEN CONSIDERING BOTH AUTHORITY AND RESPONSIBILITY, IT MUST BE MADE CLEAR THAT THEY BOTH SHOULD BE EQUAL; AUTHORITY MUST BE MATCHED WITH RESPONSIBILITY, JUST AS RESPONSIBILITY MUST BE MATCHED WITH AUTHORITY.

    a. A person without the proper authority to get a certain job done cannot be responsible to a person above him for this action; he may know what is to be done and how to do it, but he is helpless in not being able to make decisions or to take a decisive hand.

    b. A person with the proper authority to get a certain job done, but without responsibility to someone is ineffective, with his authority being of little or no value and with authority decreasing to the level of responsibility.

    c. In summary, authority and responsibility go together, one without an equal amount of the other is ineffective.

    (This discussion of the coequality of authority and responsibility may at first seem confusing to trainees; stay with the topic; give additional examples, if necessary, until it is understood.

11. Delegation is defined as:

    a. The granting or conferring of equal portions of authority and responsibility from one person in the organizational structure to another.

(In discussing this definition with trainees, these additional following points can be made:)

1. Usually, delegation is thought of as being from a higher position to a lower position; however, it can also be upward or sidewise.

2. A person delegating always retains his inherent authority and responsibility for the task delegated, as delegation does not mean the permanent release from these obligations.

3. The one who delegates always remains accountable for what is or what is not accomplished.

4. It must be remembered that delegation sets up levels of authority and responsibility throughout the organization.

5. An outstanding characteristic of a good management person is his willingness to delegate authority and responsibility to others.

    a. The manager must recognize that no matter how good of a supervisor he is, there will always be more responsibilities than he can carry out himself.

b. LET'S TAKE A SUMMARIZATION OF AUTHORITY, RESPONSIBILITY, AND DELEGATION. HANDOUT 7 HAS BEEN PREPARED TO HELP US WITH THIS REVIEW.

*** Handout 7 ***

(Discuss the 12 principles of authority, responsibility, and delegation; stress that delegation will be taken again in more detail in Session III.)

IV. Organization Types

A. In this section, three basic organization types will be discussed. These are:

1. Line Organization

2. Staff Organization

3. Functional Organization

B. In addition, combinations of the above will be discussed where it will be seen that characteristics are present in organizational structures which present other unique features.

C. Each type of organization structure has certain advantages and certain disadvantages; one type may suit only one kind of business.

D. IT MUST BE STATED HERE AT THE BEGINNING THAT IT IS UNCOMMON TO FIND ORGANIZATION STRUCTURES CONSISTING PURELY OF ANY ONE OF THE THREE TYPES MENTIONED; USUALLY A COMBINATION OF SEVERAL TYPES IS USED.

  1. ALSO, AS WILL BE NOTED LATER, THERE IS A TENDENCY TO INCORPORATE STRUCTURES THAT WILL BEST FIT THE NEEDS OR OBJECTIVES OF THE ENTERPRISE.

  2. THE MANAGER OR SUPERVISOR, REGARDLESS OF WHAT TYPE ORGANIZATIONAL STRUCTURE HE MAY FIND HIMSELF IN, WILL PRACTICE OR USE FUNCTIONS PECULIAR TO SEVERAL TYPES OF ORGANIZATIONAL FRAMEWORKS.

(Following will be a discussion of the three major organization types)

E. Line Organization

  1. The lines of authority and responsibility in the line organization are direct from top management, to the executive staff, to the supervisory staff, to the workers.

  2. This type of organization structure is called "line" because the lines of authority and responsibility are fixed and go from top to bottom and from bottom to top of the organization chart.

  3. The line organization is probably the simplest form that is used; it has great acceptance in many enterprises today, but finds its greatest popularity in the small company.

  4. The line functions of the organization have direct responsibility for accomplishing the objectives of the enterprise; this is why the line organization is said to be made up of people who get things done.

  5. The line supervisor has direct authority over a certain number of persons; these persons' responsibilities are definitely fixed whereby they report directly to the supervisor.

6. A SIMPLE LINE ORGANIZATIONAL CHART IS PRESENTED ON THE HANDOUT WHICH WILL BE GIVEN YOU. TAKE A FEW MINUTES AND STUDY IT IN VIEW OF THE COMMENTS WE HAVE MADE THUS FAR CONCERNING FEATURES OF THE LINE ORGANIZATION.

   *** Handout 8 ***

   (Discuss the line-type organizational structure as presented in this handout. This diagram, of course, is quite simplified and a great deal more symmetrical than actually exists in most organizations; however, this is for illustration purposes only. The following points may be discussed with the trainees in relation to the diagram:)

   1. It can be clearly seen that lines of authority are direct from the top, or general manager, to the rest of the personnel in the organization.
   2. The general manager represents the source of authority in the illustration; the sales manager, the maintenance superintendent, and the production superintendent are directly responsible to him.
      a. In turn, the sales supervisors, the maintenance, plant, and field foremen are responsible to their respective supervisor; and of course, the workers are directly under the foremen and sales manager.
   3. This illustration represents only a small organization or a segment of a large one; as the number of persons increase, the span of control becomes more difficult and more supervisors will be needed.
   4. Subsequently, as the organization further develops, additional personnel will be needed, whereby the organizational structure will change considerably.
   5. Each part of the organizational structure is separate as shown in the illustration; members in one department of the organization are independent from others and report only to that supervisor directly above.
      a. Each person's responsibility is definitely fixed and he reports and is accountable only to that person above him.
      b. Each person receives whatever authority he may have from the supervisor directly above.

6. The sales activities, the maintenance department, and the production phase of the organization, as shown in the illustration, are separate; however, each department head is accountable to the general manager.

(As a matter of review, have one or two members of the class take the illustration and explain it; correct any errors in their presentation.)

F. Line Organization--Advantages and Disadvantages

1. Advantages
    a. The line organization can be used in both small and large organizations.
    b. The line organization is quite simple and not as complex as other type organizational structures.
    c. Each person knows to whom he is responsible and who is responsible to him.
    d. There should never be any question as to whom should be consulted in the chain of command.
    e. Better control over personnel is assured, as each area in the organization is independent of the other.
    f. Action can be taken quicker in regard to various matters of management, as the organizational structure is not complicated with interlocking personnel arrangements.
2. Disadvantages
    a. Co-operation among the members of the organization seems to be limited, as each segment is interested in only their particular problems and work.
    b. Supervisors and executives tend to become overloaded with routine work of supervision and thus have little time for planning and research.
    c. As the organization grows, it becomes difficult to integrate other units effectively.
    d. The organization structure is of a fixed or rigid nature, thus leaving little room for progressive changes.

G. Staff Organization

1. The term "staff" refers to advisory--the staff organization counsels, advises, and assists other segments of the organization.

2. It must be understood that staff functions do not in themselves represent a distinct and separate type of organization; but are part of another type structure, usually line.

3. Staff functions have the responsibility for getting the facts upon which decisions can be made.

4. In the true line-type organization, supervisors see to it that the work is completed; however, where staff components are involved, line management receives plans, advice, and suggestions from staff management.

5. Line organizations are usually supplemented by staff organizations; the line manager has authority over personnel, while staff management has authority over ideas.

6. Production departments, sales departments, and sometimes purchasing departments are the most common line activities; while engineering, maintenance, research, accounting, and industrial relations are examples of staff activities.

7. Some refer to line management as the "doers" and to staff management as the "advisors."

8. The main responsibilities of the staff organization are:

    a. Formulating policy for the organization

    b. Planning for the organization

    c. Evaluating the operations of the organization

    d. Advising and counseling line management

9. From the foregoing points discussed, it can be clearly seen that the staff organization does not exist in a pure form or exclusively in any organization.

    a. No organization which has the normal activities going on and the usual objectives is purely advisory in nature.

b. It can be concluded, however, that the staff function does and must exist in most organizations.

10. Often it is said that line functions are represented vertically on the organizational chart, while staff functions are represented horizontally.

11. HANDOUT 9 WILL GIVE US AN ILLUSTRATION OF AN ORGANIZATIONAL STRUCTURE WHICH HAS STAFF DEPARTMENTS.

*** Handout 9 ***

(Discuss the handout; again, this handout serves only as an illustrative example and does not represent an actual business enterprise. The chart was purposely drawn in symmetrical form and kept as simple as possible. The following points will prove helpful in the discussion:)

1. The horizontal rectangles represent the staff organizational segments; specifically, accounting, purchasing, personnel, and research.
2. The other parts of the diagram represent line structures which have been taken prior to this presentation.
3. It can be seen that the general manager does have authority over the accounting and purchasing departments; but not line control; these act as a service arm of general over-all operations.
4. Note the distinction in the general manager's relationship on the chart to the plant manager and to the accounting and purchasing departments; he exercises line authority over the plant manager.
5. The same is true of the personnel and research departments which provide counsel and assistance to the plant manager, but the plant manager has direct line of authority over the plant supervisors.

   (In any one organization, the departments represented in the illustrative example will more than likely take different positions--it is possible that purchasing in some companies be a staff function of the plant manager, or that personnel be a function of general manager, and so on. These are matters which general policies will dictate based upon the inherent characteristics of the organization--no two organizations are precisely alike.)

6. It must also be remembered that line functions will be practiced within the staff organization; that is, the accounting department head will have line authority over his accountants; the purchasing department head will have line control over his clerks and purchasing agents, etc.

   (As a matter of review, have a trainee go through the chart for the entire class, explaining and describing as it is presented.

   If time permits, have another trainee compare and contrast the charts on Handout 8 and Handout 9.)

H. Staff Organization--Advantages and Disadvantages

1. Advantages

   a. The staff organization furnishes valuable assistance, counsel, and activity which are needed in the organization, especially the large organization.

   b. Staff organization types allow line personnel to devote their time and energies to line activities.

   c. Staff functions assist the organization in control.

   d. There seems to be increased organizational balance among the activities of the organization when staff departments are present.

   e. The over-all effectiveness of management is increased when counseling, planning, research, and other service departments are used.

2. Disadvantages

   a. Staff functions sometimes give confusion to the organization when those persons, especially at the lower levels, do not have a clear concept of the entire organizational structure.

   b. Those performing line functions may become too dependent upon staff for all planning and creative suggestions.

   c. There can be a feeling of mistrust or a failure on the part of both line and staff to accept fully the work of the other; line may have the belief that the recommendations of staff are not necessary; staff may feel that line is not utilizing the data supplied to good advantage.

3. Additional considerations of staff and line organizations

   (Here it will be pointed out some techniques which can be used to increase the effectiveness of organizations which have both line and staff functions.)

   a. It is important that staff members of an organization know and understand the work which line is doing--understand their problems and the organizational relationships existing.

   b. When staff understands more clearly the work of line, misunderstanding and conflicting viewpoints can be held to a minimum.

   c. Much damage can be done to the organization by staff trying to force certain plans or proposals upon line.

   d. Line must be shown how such ideas and proposals can benefit the organization, and how these are workable and practical to line.

   e. Staff proposals should not be put into actual use until they have been approved by both the supervisor of staff and supervisor of line where they will be used.

   f. Staff should always inform line management of any action it has taken affecting line subordinates--a common rule that should always be remembered is: authority must be exercised only through the line supervisor.

   g. If line disagrees with staff, then staff should continue to try to get agreement, rather than assume authority through others and cause hard feelings.

   h. If an accepted policy of staff is violated, staff should go through channels and call this to the attention of the line supervisor concerned.

i. A spirit of agreement and trust, friendship, and tolerant actions on the part of both staff and line will do much in co-ordinating the activities of each for a more effective organization.

I. Functional Organization

(The functional organization is not used extensively; consequently, does not rank in importance in relation to line and staff and will not be given detailed attention here.)

1. The functional-type organization normally applies to managerial levels only.
2. Functional organization means that the functions or duties of supervisors deal with specialization of work; that is, each supervisor is a specialist in a certain line of work and he deals with every member of the organization, no matter where he may be, who is doing this specialized work.
3. Similar tasks are grouped together, such as machine work, or carpentry work, or accounting, etc.; persons with these special skills supervise the activities being done by workers, no matter where the work may be going on.
4. The functional organization theory was introduced by Frederick W. Taylor, who believed that supervisors who possessed special skills could strengthen the organization by dealing with workers whose activities were grouped in specialized units.
5. The functional organization does possess some difficulties--these include:
    a. Discipline is rather difficult to have throughout the organization as no line authority is used.
    b. A person, many times in the functional organization, has too many supervisors--for example, if the foreman is supervising workers who perform two or three different types of skill work, he (the foreman) will have that many functional supervisors over him.
    c. It is often times difficult to fix responsibility for happenings, as the responsibility for each specialty is not always clear.

(If additional information is needed concerning the functional organization, refer to Principles of Management by George Terry, Richard D. Irwin, Inc., pp. 189-191.)

J. Formal versus informal organizational channels

1. The question is often asked: "Are all organizations formal?"

    a. The answer, of course, is "no."

    b. Even in large organizational structures, in addition to the formal lines of authority and responsibility, some people just naturally assume responsibility and exercise authority without anyone ever spelling it out.

2. The chances are that in any group of persons working at the same level, some sort of informal organization exists--a person who does not have formal authority may be found to exercise considerable weight among the others.

3. The formal organizational structures are those which are prescribed and set down in detail on an organization chart; whether they be line, staff, functional, or a combination of these.

    a. Organization charts are prepared and used by enterprises as these charts are extremely useful to management to visualize the structure as a whole.

    b. The handouts, Numbers 8 and 9, which were presented are examples of organization charts; however, in addition to the position or department, many enterprises insert the names of those people in their respective place on the chart.

        (The trainees may be asked to discuss their company's organization chart if they are familiar with it.)

    c. The established relationships of the various activities, departments, lines of authority and responsibility are easily seen in the organization chart.

    d. The organization chart shows these formal organizational relationships; especially formal responsibility and authority make-up.

4. The informal groups which do exist in almost every organization affect in some way the operation of the enterprise.

5. Many times the groups are bound together by social relationships, or by common interests, or by some other interests.

6. Informal organizations are not bad in themselves; as in some cases, these informal groups work effectively toward the attainment of the enterprise's objectives.

    a. On the other hand, informal organizational structures can undermine good principles of management.

7. Prudent management should recognize that informal organizations exist within the framework of the formal organization chart--both in the workers' group and in the supervisory group.

    a. Through experience and a study of informal organizations versus formal organizations as they exist, the necessary criteria will be provided to management to use both effectively in the pursuit of meeting objectives of the enterprise.

V. Basic Departmentation

A. The general term "department" refers to a distinct area, division, or branch over which a manager or supervisor has authority for the performance of a specified group or activity.

B. Departmentation is the same as organizing or grouping of activities and the assignment of authority for the purpose of gaining efficiency and co-ordination.

    1. This objective of gaining efficiency is the basic reason why organizations have departments.

C. Departments are necessary in the organization because the span of management is certainly limited; a human being is incapable of managing an excessive number of persons.

D. Not only do departments exist because of the limitations of human ability, but also because of the limitation of time; no person would have enough time to do all the things necessary to operate an effective organization.

E. Without departments, the top executive would have to be sales manager, production manager, etc. and every employee would be required to report directly to him.

F. Studies indicate that a supervisor can manage four to eight persons effectively at the upper levels of management and eight to 15 persons at the lower levels; without departments, this type of supervisor-to-subordinate ratio could not be had.

   1. As a result of the lack of balance in this ratio, poor managements practices would come about.

   2. Not only does the effective span of control for management result in more effective supervision, but it reduces the cost of organizational operation.

G. Departments may be any division of the organization, whether it be called branch, section, unit, sub-unit, or department.

H. Every department in order to operate effectively must have a responsible head.

I. Process of Departmentation

   1. There are various activities, such as planning, delegation of authority and responsibility, etc., which are needed for the accomplishment of organizational objectives.

   2. The following steps are those needed for organization and department completeness:

      a. The enterprise's objectives need to be clearly established and stated.

      b. Next, there should be the formulation of plans and policies for the accomplishment of the objectives.

      c. The determination of the activities necessary to carry out the plans and objectives should be made.

      d. A grouping of these activities would be the next step--each group becomes a department or unit.

      e. Each group or department should be assigned the authority necessary to carry out its activities.

f. The groups or departments must then be tied together, both horizontally and vertically by authority relationships.

J. Departmentation in the organization is not, in itself, the answer to all questions or problems of organizational efficiency.

1. In an organization, levels are expensive and as these increase, more and more of the efforts and cost of the enterprise is devoted to managing.

   a. Not only is there the expense of additional managers, but there are extra staff members needed to assist in management.

2. The real production in an enterprise is work done by persons in direct labor categories; departments always carry staff personnel.

3. The existence of different levels of organization complicate the problem of communications.

   a. Organizations with several levels have greater difficulty communicating objectives, plans, policies, etc. than those with limited levels.

   b. Omissions and misinterpretations are likely to occur, as there are more chances of this when information is passed through several levels.

4. Departments and levels complicate the problems of managerial planning and control; plans which may be definite and clear at the top of the organization structure, may not be so as they are filtered down through the various levels and departments.

K. Although departments and levels of work have disadvantages in the organization structure, they do exist, and will continue to exist because of the necessary part they exercise in the principle of management organization and control.

VI. Visual Aid in Organizational Structure

(The visual aid recommended for this concluding phase of the second session is:
16 mm motion picture
"Internal Organization"
Time for showing: 10 minutes

This film contains: an illustration of the fundamental purposes of business organization and basic organizational principles.
areas of division of labor and assignment of responsibility.
types of organizations which can be adapted to the needs of the enterprise.

The film is a McGraw-Hill Management Film; cost, $70. Available through Industrial Education Film Library, 195 Nassau Street, Princeton, New Jersey. It may also be rented.

The film contents relate exceptionally well to the material covered in the session. It is well to follow suggestions in the guide which accompanies the film for showing and discussion.

Preview the film before showing; have all equipment set up before the session starts to conserve time.

Discuss the film with the trainees after showing.)

(Session II will conclude with the showing and discussion of the visual aid; before adjournment, announce the topic for Session III, "Major Responsibilities of Management.")

SESSION III

MAJOR RESPONSIBILITIES OF MANAGEMENT

I. Objectives for Session III

A. (These objectives may be charted before the session begins for convenience and a saving of time.)

Objectives

1. To make an intensive study of management responsibilities--planning, organizing, directing, controlling, co-ordinating
2. To study relationships between management responsibilities and the organization's objectives
3. To note the effectiveness of each major responsibility of management in current practice.

(Because Session III will deal exclusively with the major responsibilities of management, each responsibility as it is taken will be presented so as to cover all three objectives as listed. The film at the very end of the Session will summarize to a great extent the functions of management.)

II. Planning

A. Planning will be the first major responsibility to be discussed in this session, because it logically is one of the first functions of management.

1. In fact, after the objectives of the enterprise are definitely determined, then management must get busy planning how these objectives will be accomplished.
2. In management, just as in any other activity, if action is to take place in an orderly manner, some plan or approach must be established.
3. Modern management today emphasizes a great amount of planning, or predetermination of what will be done and how.

4. It was pointed out in Session II that staff functions add greatly to the planning phases of management.

5. Old management methods of "hit or miss" tactics have disappeared; because persons charged with carrying out the tremendous responsibilities of operating a business cannot afford to just hope for the best to happen and do nothing.

6. The job of looking ahead, of using past experiences for mapping out proposed avenues of action must be done by competent management.

7. Every manager, no matter what his duties may involve, finds that planning is an important part of his job.

8. Unless all persons within the organizations are working together in accordance with some definite plans, there cannot be efficiency of operation, nor the achievement of organizational success.

B. Definition of Planning

1. There are many definitions which adequately define the term "planning."

2. A short, but inclusive definition of "planning" is:

Planning is organized forethought

(Additional points which can be discussed concerning the meaning of "planning" include:)

a. Planning is organized forethought to take care of proposed action.

b. Sometimes planning is thought of as study or research which becomes the base from which courses of action can be taken toward reaching a certain objective.

c. Planning takes into consideration a projection of the future based on a study of present and past situations.

d. Planning can be done on both the individual and group levels; however, the planning of the individual within the group must be coordinated with the planning of others within the group.

e. Often times, planning is said to determine:

  aa. what is to be done

  ab. how the thing is to be done

  ac. who will take the proposed action

  ad. when the thing is to be done

  ae. where the action will take place

f. Planning takes into consideration expected difficulties, as well as orderly steps to be used in the accomplishment of the objectives set.

g. Planning is not only thinking ahead of what is to be done, but the putting of such thoughts in an organized manner.

h. Planning involves a great amount of skill--such skill coming from experience and a conscientious study of results and events within the organization.

i. Planning may constitute complex work and research--such must depend upon the nature of the organization and the activities it is involved in.

C. Reasons for Planning

1. The reasons or justification for planning are obvious from the introduction and definitions developed.

2. If planning had no merits, it would not be used as extensively as it is.

3. Large organizations, and many small ones, too, provide a great amount of expenditures with the necessary personnel to carry out the functions of planning.

4. Although, many times thought of as a staff function, planning must be done in line organization relationships--the line manager, supervisor, etc. cannot perform line functions effectively without planning, no matter what these functions are.

  a. Planning is a requirement of every supervisory job, no matter what it consists of, or how it is classified on the organizational chart.

   - b. Any supervisor who has definite plans for his work and personnel will get much more done and have a more productive department, than a supervisor who just lets things go as they will from day to day.

5. Although planning is said to be time consuming and expensive, the results which come from planning outweigh any disadvantages attributed to time and expenses.

   - a. Those who usually complain about planning being expensive and time consuming are the ones who do not understand, nor take time to evaluate results of organized endeavor.

   - b. Many persons do not think that planning is efficient, because most of it involves mental, rather than physical work and they fail to associate mental activity with production activity.

6. Without planning, objectives for the organization would not be definite and with purpose.

7. Planning has much force in making known information, instructions, and courses of action which the group or organization will take.

8. Planning definitely fixes lines of authority and responsibility within the organization.

9. Planning actually saves time and effort by doing away with non-productive work.

10. Without planning there would be little order or specific system used in the work carried on.

D. Essential of Planning

1. As pointed out previously, careful planning takes time--this time must be taken by management--if not--the organization will find itself unable to compete with others and stay in business.

2. As planning involves looking into the future, experience of the planner must be relied upon heavily for this type activity.

   - a. After plans are made, they should be analyzed before putting into effect.

   - b. After plans are used, they need to be reviewed--did the results fall short of expectations? If so, why?

        c. Experience will provide management with the ability to analyze the planning function much better.

    3. As planning involves future activities, the supervisor or manager must become skilled in forecasting ability and the use of sound judgment.

        a. Forecasting for the short-term is not as difficult as forecasting for distant future expectations.

        b. The use of judgment in forecasting ability is important--recognizing a mistake and applying the lesson to future decisions will eliminate major mistakes.

        c. The use of facts, rather than unproved information, aids in the ability to forecast accurately.

    4. Planning requires resourcefulness and the willingness to use the imagination.

        a. These elements are required in planning because of the fact that many times untried techniques or areas of work are involved.

    5. Finally, an essential of planning which should never be overlooked is careful follow-up--the evaluation of results and corrective action, if needed.

E. Steps in Planning

    1. It is impossible to list steps in the planning process which could be used for every organization and every possible situation.

        a. The peculiar characteristics of the enterprise, the type of operations of the organization, the philosophy of management, and other related factors make it extremely difficult to have a prepared list of planning steps which would work in every case.

    2. There are, however, some basic steps which most planning work follows:

        a. The first step in planning is the obtaining and study of necessary information about the organization and its activities.

    - aa. This first step takes into consideration the study of the organization structure and makeup, personnel, and practices and procedures within the organization.

- b. The second step in planning involves the intensive study of the data obtained in Step 1.
    - aa. The organization is studied as a whole, but also how the various compotents of the organizational structure are related.
    - ab. Current planning which is being done must also be studied.
- c. The third step is determining possible plans.
    - aa. This determination is based on the material and the study completed in Steps I & II.
    - ab. However, additional factors such as cost, time, and quality must be considered.
    - ac. The determination of a proposed plan must, of course, be within the broad objectives as set by management.
    - ad. The determination of a proposed plan must include possible adjustments which can be made after the plan is put into effect.
- d. The fourth step is the adoption of a proposed plan.
    - aa. The adoption of the proposed plan may be made by an individual, or by a group--this being determined by the policy of management.
- e. The next step in planning takes into account the proper time schedule and sequence of details for effecting the plan.
    - aa. Such items as the detailed activities; who will execute the activities; and the proper order of activities are taken.
- f. The last step in planning is the evaluation and follow-up of results.
    - aa. The use of adequate records for evaluation purposes is important.

- ab. Plans for corrective action are important.

3. In considering the steps to planning and the effectiveness of planning, it must always be remembered that the success of any plan is greatly affected by the manner in which employees do their work.

   - a. The human element need always be given much consideration in whatever plans are formulated.

F. Kinds of Planning

1. Planning can be classified in many different types or kinds, and is done so by various management groups.

2. An over-all classification as to kinds of planning include:

   - a. New Planning

     - aa. The name itself suggests the type of planning this classification consists of.

     - ab. New planning is concerned with initial or original operations of the organization.

     - ac. New planning may also be the result of new objectives or goals which the organization has established.

   - b. Operative Planning

     - aa. Operative planning is the type of planning necessary to keep the present actions of the organization progressing effectively.

     - ab. Operative planning is the routine planning which takes care of current operations, but which is based on predetermined objectives or goals.

   - c. Remedial Planning

     - aa. Remedial planning is that type planning instituted to provide corrective action to plans which may have become deficient.

     - ab. Changes may become necessary when it is found that weaknesses in the plan exist, errors in judgment are noted, changes in the objectives are made, or new information affecting the original plan is existing.

d. Long-term Planning

  aa. Long-term planning may constitute any of the three previous kinds of planning noted, i.e., new, operative, or remedial.

  ab. Long-term planning is more difficult to do than short-term planning, consequently, a more experienced person is needed for long-term forecasting and planning.

  ac. A careful study of the organization and its activities is a prerequisite for long-term planning; also adequate follow-up is required.

e. Short-term Planning

  aa. Short-term planning does not require as much skill as long-term planning; however, corrective action is often needed on the short-term basis.

  ab. There is no definite time period which distinguishes long-term from short-term planning--it may be stated, however, that short-term planning normally is concerned with the current operating year or fiscal period, while long-term planning goes beyond this time period.

G. Planning as a Necessary Function of Management

1. The basic difference between a supervisor who is just a supervisor and the supervisor who also manages is the degree of knowledge and the use of judgment in acts performed.

2. Planning is a necessary function of management--this is a responsibility which is part of the manager's job.

3. There are also leadership qualities which planning tends to bring out in supervisory personnel.

  a. Unless the supervisor is doing some planning and is contributing sufficiently to this function, he is simply following in someone else's footsteps.

4. THERE ARE SOME ADDITIONAL POINTS WHICH SHOULD BE TAKEN BEFORE LEAVING THE TOPIC OF PLANNING.

  a. THESE ARE PRESENTED IN HANDOUT 10 AND ARE CONCERNED WITH PLANNING AS A FUNCTION OF MANAGEMENT.

b. IT MUST BE REMEMBERED THAT ONE OF THE OBJECTIVES OF GOOD MANAGEMENT IS TO PROVIDE SOUND AND ADEQUATE PLANNING AND TO EVALUATE THE RESULTS TO DETERMINE ITS VALIDITY.

*** Handout 10 ***

(Discuss the material in the handout with trainees. If time permits, additional items can be listed for No. 10, "ways in which planning can save the company money." Have trainees contribute these, and chart.)

III. Organizing

A. Definition of Organizing

1. A definition for organizing is:

> Organizing is the orderly arrangement of jobs, people, and machines to accomplish an objective efficiently.

2. (It must be remembered while discussing the definition with the group that "organizing" will be taken here only as it applies as a function of management. It may be necessary to review briefly the factors relating to organization types covered in Session II to note differences in organizational types and the function of organizing.)

B. Purposes of Organizing

1. After the plans for the organization have been formulated, it becomes necessary to decide upon a certain combination of people, jobs, and facilities to fit the plan.

2. The function of organizing has as its main function to unite individuals into an effective team.

3. More specifically, organizing is concerned with the assignment of responsibility and authority so that individuals can work together in large numbers as effectively as they can alone.

4. Organizing is directed toward the work of making sure that the efforts of the enterprise are directed toward the attainment of the objectives as stated.

5. Organizing makes for a better understanding by each person in the organization of exactly what his responsibilities and authorities are; also these same characteristics of others in the organization.

C. How to Organize

1. The organizational structure of any enterprise will be determined mainly by the objectives which have been established.

2. The organizational structure, however, must be simple enough to be understood, accepted, and used by all persons concerned.

3. Because conditions and events change very quickly at times in the business world, organizing must provide for a flexible structure which can be adjusted to meet these changes.

4. Steps in the organizing process include:

   a. The first step in the organizing process is to make known the job which is to be done--in other words, have the objective clearly defined.

   b. Step 2 is concerned with a determination of the activities which are necessary to meet the objectives of the enterprise.

   c. Next, the activities should be grouped into similar units--this is the departmental division of functions.

   d. Step 4 deals with the definition and clarification of duties--each activity or group of activities to be performed must be clearly made known, and the persons who will carry out these activities must be made equally definite and clear.

   e. Personnel must then be placed in positions for carrying out the defined activities.

      aa. Areas of responsibility and authority must be provided to personnel selected and placed in the organizational structure.

   f. Training of personnel selected should be administered initially and then continually covering such topics as:

aa. understanding of the organization's objective

ab. organization arrangement

ac. relationships among personnel on the organizational chart

ad. responsibility and authority relationships

ae. understanding of the major functions of the organization and how these relate to objectives

D. Basic Considerations in Organizing

1. There are several basic considerations or principles of organizing which are important.

2. These principles give additional light to those items already discussed.

3. HANDOUT 11 LISTS THESE PRINCIPLES OF ORGANIZING; LET'S TAKE A LOOK AT THEM.

*** Handout 11 ***

(Discuss these principles of organizing after the trainees have had an opportunity to read them.)

IV. Directing

A. What is directing? It may be defined as:

> Directing is the guidance of efforts and activities toward a stated objective.

1. Directing points out the course which is to be followed in achieving the goals of the enterprise.

2. There may be a complete and adequate organizational structure, but unless there is a force which prescribes certain avenues through which activities must pass, much of the good advantages of organization and planning will not materialize.

3. Oftentimes, there can be much activity going on in the organization, but unless it is controlled and directed, there is never full realization of its efforts.

4. Directing does not suggest simply the executing of orders or rules, but the guiding of activities in a manner based on set standards of management procedures.

B. Responsibility for Directing

1. Management has several areas of responsibility based on getting certain work done through subordinates

2. Management is very extensive and its functions numerous.

    a. The manager must deal with people, human relations, situations, and procedures.

    b. All of these functions which management must perform require skill and knowledge.

3. If management were negligent in any one of the many functions it is responsible for, the entire job being done would be ineffective and without good results.

    a. This is true because all phases of the work management does is integrated and related so that each phase depends upon the other for success.

4. The manager or supervisor has people who work under his direction; these people are responsible for the production of goods and/or services.

    a. The responsibility for getting a certain amount of work done in the department or in a group rests with the supervisor--he, therefore, must know how to control and direct group activities.

5. Directing actually involves communications, counseling, training, motivating, and delegation.

    a. Each of these constitutes a means for carrying out the job of governing the activities of persons.

    b. Each of these, also, is a vast area in the field of human relations and management principles.

    c. These items are not concerned exclusively with directing, but are found in most areas of human relations and management concepts.

d. The last item mentioned in the list, delegation, is more related to directing than the others and for this reason, some discussion of it will be taken.

(It must be noted that delegation was discussed in Session II. This discussion was centered around the organizational structure and the relations among authority, responsibility, and delegation. In this session, delegation will be discussed as to how it serves as a function of directing.)

C. Delegation

1. Delegation was defined in Session II as: "The granting or conferring of equal portions of authority and responsibility from one person in the organizational structure to another."

    a. From this definition it can be seen that delegation is a prime function of directing.

    b. No one person can assume all responsibility and authority; some must be granted to others so that the necessary work of the organization can be done and in this manner, an act of directing has taken place.

    c. When a supervisor or manager directs a person to perform certain activities, he extends his area of operations because without delegation his actions would be confined to what he could do himself.

2. The supervisor who delegates effectively has more free time to do more actual supervisory work and over-all planning.

3. The function of delegating places greater trust in subordinates which in turn develops qualities of leadership.

4. Delegation enables the supervisor to organize the department's work more effectively as channels of communication are more frequently used.

5. Delegation as a function of directing should not be used as a "once in a while" activity, but should be a part of every supervisor's routine tasks.

6. Because the supervisor can never delegate ultimate responsibility for the job delegated, proper delegation is always based on a system of directionn and control.

7. A simple process of delegation, whereby direction and control are used is:

   a. The job or activity is broken down into clearly defined tasks.

   b. Next, the supervisor determines which of his people can do each task the best.

   c. The task is assigned to each person based upon the supervisor's study of the job; he answers questions for clarification; gives necessary authority and defines responsibilities.

   d. When the task is completed, or during the performance of the tasks, evaluations are made by the supervisor--such points in the evaluation may cover:

      aa. Time required to do the job

      ab. Quality of the work performed

      ac. Reasons for failure

      ad. Quantity of work completed

      ae. Attitude of the person performing tasks

   e. When the evaluation is completed, if it is favorable, recognition should be given; if unfavorable, honest criticisms of the task delegated should be given.

8. Delegation is a true test of a supervisor's skill as when he delegates, he must bring into this activity everything he knows about organizing work and directing people.

9. Although delegation is one of the most rewarding of supervisory skills, it is at the same time the most difficult to use and get good results each time.

10. It is usually found that where the supervisor is having difficulty with delegation, it is the way this management technique is being used and not necessarily delegation itself at fault.

11. There are some mistakes which the supervisor can make when delegating--here are some:

    a. A supervisor often finds it difficult to give a job to a subordinate which he (the supervisor) thinks he can do better.

b. A supervisor may under-delegate because he simply overlooks things he is responsible for which can be delegated to subordinates.

c. Many supervisors try to use some type of formula or set pattern for delegation--this is not possible, because people react differently to changes in circumstances.

d. A most common fault in delegation is that the supervisor does not give enough authority to do the job properly.

e. Supervisors delegate certain jobs and assignments, but many times do not make it clear just how or what is to be done.

f. In any delegation, there must be good communications between supervisor and subordinate--delegation is most ineffective when the subordinate can not come back to the supervisor for additional instructions, help, or clarifications.

g. Delegation involves risk and chance of mistake on the part of the subordinate; many supervisors fail to consider this factor.

12. THERE ARE SOME ADDITIONAL CHARACTERISTICS OF DELEGATING AS A FUNCTION OF MANAGEMENT WHICH NEED TO BE TAKEN. SO THAT YOU WILL HAVE A REFERENCE FOR THESE; A HANDOUT HAS BEEN PREPARED COVERING THESE POINTS.

*** Handout 12 ***

(Discuss the material in Handout 12. Remember that a film will be shown later in the session on delegation and many of the points discussed on the handout will be portrayed in the film.)

D. Communication and Direction

1. Too often supervisors delegate jobs or direct employees to perform certain tasks, but fail to find ways to control the work.

a. Such a situation tends to make for ineffective supervisor-employee relations in meeting production schedules.

b. A lack of proper communications between supervisor and employee is often the cause of this inefficiency.

2. Some ways to get better control from directing through proper communication techniques include:

    a. Make sure that the subordinate knows what is expected of him.

    b. The subordinate must know what he is to do, how he is to do it, and within what time limit he may be working.

    c. The subordinate must be told and he must understand what his limits are as far as company policy, regulations, and personal responsibility are concerned.

    d. The subordinate must know what authority he may exercise in order to get the job done.

    e. The supervisor must make sure the channels of communications are open upward; that is, the subordinate should have the feeling of freedom of communication with his supervisor concerning problems encountered.

    f. If changes occur to affect initial plans of delegation, the subordinate must know what course of action he is to take.

    g. The language of directing must be kept on a plane which the subordinate understands.

E. Evaluation of Directing

1. Directing, like any other management function, can be evaluated to determine its effectiveness in doing the job it is supposed to do.

2. Formal criteria are good to have; that is, certain standards stated and prescribed to measure success or failure of directing.

    a. Of course, formal standards do not have to be established to evaluate effectiveness of directing.

3. A few simple measuring devices are all that are needed for the evaluation of directing.

4. If answers to the following questions are positive, good results from directing are being gotten; if the answers are negative, some strengthening must be done:

a. Do subordinates understand fully the nature of the work or other activities which they have been directed to do?

b. Can the supervisor entrust the work to the subordinate with only occasional inspection?

c. Does the worker appreciate the opportunity to show that he can do the work assigned?

d. Is there respect shown by the supervisor for the subordinate's ability to do the job?

e. Is there respect shown by the subordinate for the supervisor's position in getting work done through his workers?

f. Does the worker have proper authority to go with the work he has to do?

g. Does the worker know to whom he is responsible?

h. Does the worker understand why the work he is entrusted with is important to the total organization's work?

(This list of questions is by no means complete; if time permits, additional ones may be developed.)

V. Controlling

A. Controlling may be defined as:

Controlling is the process of checking and restraining efforts and activities within prescribed limits.

1. Controlling is certainly an important function of management as the activities of the enterprise must proceed within certain desired channels.

2. Controlling aids in the process of making sure that the activities of the enterprise takes the proper direction.

3. Controlling also involves the motivating of persons so that activities are carried out as desired.

4. Controlling is very much related to other management functions and actually is dependent upon these other functions for smooth operation.

5. As has been noted in all management functions, changes and adjustments are always necessary to handle current problems--the same is true with controlling in that it must be flexible and dynamic.

6. The management function of controlling and the qualities of leadership are very much related; however, not all leadership techniques are considered to be controls or restraints of human activity.

7. The degree of control necessary in any organization or in any activity will be dependent upon many factors; management ability, efficiency of workers, morale of persons involved, communications, etc.

B. Types of Controls

1. Controls are not ordinarily classified in a set manner as their use in specific cases will be determined by the type of problem.

2. The degree of control will also be determined by the nature of the problem or situation.

3. Such factors as efficiency of work force, types of leadership needed to supervise personnel, and related items are, in effect, going to govern the types of control exercised by management.

4. Management does, however, exercise control through the following control types:

    a. Orders

    b. Rules

    c. Instructions

    d. Organization Structures

    e. Policies

    (The latter two items have been discussed in Session II; considerable time being given to organization structures. The relations between organizational structures and control can readily be seen. Policies were discussed in terms of management's broad and comprehensive outlines for guiding and directing the enterprise.

    Therefore, only the first three items will be taken here.)

5. Orders

   a. Orders are important in the controlling of activities of others.

   b. Orders tell or command others what to do; these may be written, oral, or by gesture.

   c. Orders are usually given when a directive must be acted upon within a short period of time.

   d. Orders should be issued only by a person who has the authority and the responsibility to see that they are carried out.

   e. Orders should not be made unless they are intended to be enforced--it is very ineffective to issue orders and then do nothing about violations of such.

   f. Orders which are issued should be fully understood by the person who is to carry them out.

   g. An order should not be given a subordinate if he is not capable of carrying it out.

   h. An overuse of orders is not good--an excess of orders tends to weaken authority of the supervisor.

   i. Greater co-operation from the person receiving the order will be had if he understands the importance or reasons why the order is to be carried out.

6. Rules

   a. Rules are definite and exact guides for action.

   b. Rules must come from those with authority in the organization, as authority is recognized through the setting and enforcement of rules.

   c. Rules must be applied the same to each similar situation; as the basis for a rule is that it must be specific and cover exact situations.

   d. Rules inform personnel as well as control their activities.

   e. Rules should be stated in language simple enough to be understood by everyone in the organization.

7. Instructions

   a. Instructions form another important way in which management controls activities.

   b. Instructions are information, either in writing or in oral form, which indicate the proper way for doing a certain job or activity.

   c. Instructions give the "how-to-do" information so that the correct procedure may be followed.

   d. Instructions which are given to workers cover much of the routine work or that work which follows standard procedures.

   e. Instructions tend to give uniformity to the procedure for doing work--this gives more value to quality control and standardization.

   (Now, have two or three of the trainees contrast the differences among rules, orders, and instructions. This will aid in a better understanding of these management controls; as often times, confusion does exist concerning differences.

   Guide the discussion and clear up any misunderstandings.)

C. Considerations in Gaining Effective Control

   1. Considerations in gaining effective control must be emphasized.

   2. These considerations are summarized in Handout 13.

   3. HANDOUT 13 HAS BEEN PREPARED TO GIVE A SUMMARIZATION OF THE USE OF CONTROLLING AS A FUNCTION OF MANAGEMENT AND THE CONSIDERATIONS FOR GAINING EFFECTIVENESS IN ITS USE.

   (Read through and discuss contents of Handout 13.)

D. Standards and Controls

   1. Although a standard is not thought of as a type of control, it does provide a basis upon which controlling can be guided.

   2. A standard is thought of as an accepted or established instrument of measure.

   3. Standards are important as tools of management as they provide bases for the determination of the qualifications required to perform a certain activity satisfactorily.

   a. Standards involve personnel, materials, machines, and procedures for doing the work.

4. Standards assist greatly in the controlling function as they make clear the performance levels for the work being done and the evaluation of the results of the work.

5. Standards are used to determine the qualifications for improving work procedures, as a degree of measurement is always present when standards are applied to current work practices.

6. Standards provide for better control and co-ordination by management in that a measure or criterion determines the exact quality of factors within the organization.

VI. Co-ordination

A. Co-ordination is defined as:

> Co-ordination is the blending together of the activities of the organization which result in a united and common activity.

1. Much of the work of management is making sure that all the efforts being put forth in the organization are blended together in the direction of a common goal.

2. Management must strive to synchronize and hold together the actions of the organization so that a common effort aimed in the direction of the organization's objectives is had.

3. The proper balance among the personnel of the organization must be maintained--this is a function of co-ordination.

   a. Each person must know what he is to do and when he is to do it so that the effort of each will be in unison with the total efforts of the group.

4. [redacted] For greater organization efficiency, the work of each person or unit must be taken not only from the viewpoint of the individual or unit, but from that of other elements which also contribute toward the common objective.

B. Types of Co-ordination

1. Normally co-ordination within the organization is classified as:

   a. Vertical co-ordination

   b. Horizontal co-ordination

2. Vertical co-ordination is that co-ordination which links together the components of the various different levels of the organizational structure.

   a. This co-ordination goes from top to bottom, and vice versa, in the organization.

   b. There must be co-ordinated activities between top management levels and all other levels below down to workers.

3. Horizontal co-ordination is that co-ordination which links together the components within a level of the organizational structure.

   a. This co-ordination goes across horizontally on the organizational structure; such as that between same level departments, between department heads, and among personnel within each unit or department.

C. Co-ordination and its Effects

1. Certainly, co-ordination as a function of management has many good effects.

2. Without the use of co-ordination, activities of the organization would be done in a manner not necessarily consistent with keeping the individual work unified and dovetailed together toward a common goal.

3. LET'S TAKE A CLOSER LOOK AT SOME OF THE EFFECTS OF CO-ORDINATION.

   *** Handout 14 ***

   (Read through and discuss principles in Handout 14)

D. Techniques of Co-ordination

1. Co-ordination must start within the department or unit; that is, efforts and activities must first be geared to the objectives of the unit.

2. Next, each department or unit should be studied in relation to how it fits into the over-all organizational structure.

3. The dependence of one department or unit on the other must be clearly stated and shown so that the blending together of activities can be done.

4. A charting system can be used to show visually the interrelationship among departments; or a graph can be prepared to show how a function or activity is to be shared by those persons or departments designated.

5. In applying any technique of co-ordination, it must be remembered that the objective of the enterprise must always be the basis for plans of action.

6. The function of co-ordination requires a follow-up periodically to determine the effectiveness of techniques used; adjustments may be needed to bring about desired changes.

VII. Visual Aid in Major Responsibility of Management

(The visual aid recommended for this Session is:
16 mm motion picture
Title: "Breaking The Delegation Barrier"
Time for showing: 30 minutes

This film shows how supervisors prevent or overcome the normal tendency of their people to oppose new ideas and procedures. It helps avoid serious drop in efficiency and morale by showing how to deal with emotional factors which breed resistance to change.

Note that the running time for the film is 30 minutes; the session should be paced so that this amount of time plus a few minutes for discussion will be available.

The film may be purchased from: Roundtable Productions, 275 South Beverly Drive, Beverly Hills, California; cost, B/W, $175; Color, $300; or it may be rented for a nominal fee.

Preview the film before showing; have all equipment set up before the session begins.

There is a Discussion Leader's Guide which accompanies the film; this should also be reviewed for additional suggestions on how the film contents can best be discussed.

The film contents and objectives portray exceptionally well the management function of delegation and its related aspects.

Show the film; discuss.)

SESSION IV

ORGANIZED LABOR

(This material to be presented in Session IV will strive to satisfy two objectives: (1) To acquaint management, in situations where organized labor does not exist, with background and general information concerning the part organized labor plays in this country's economic system; and (2) To present additional information concerning organized labor for the benefit of those trainees who are in situations where organized labor currently exists.

In both cases, much can be gotten from the material to be presented in this session. It must be pointed out, that an objective, impartial approach will be given; that such an educational process as this training conference will not attempt to take either a pro-management or a pro-labor position. You as the conference leader must make this condition known, as management-labor relations can result in misunderstandings and resentment on the part of the trainees, depending upon which stand their respective company or organization may take. However, the session's discussion must be approached from the viewpoint of how management can make better use of the material presented.

Because some of the information presented will be rather detailed, the previous arrangement of using the outline form will not be followed exclusively here, and the text form will be used considerably.

It may be better to pace this session somewhat slower, so that the text material will be understood. Allow ample time for questions from trainees.)

I. Objectives for Session IV

   A. (These ovjectives may be charted before the session begins for convenience and a saving of time.)

Objectives

1. To trace the history of labor movement in the United States
2. To present an understanding of union activities
3. To study union-management relationships
4. To trace the history of unions in Louisiana and note present status.

II. History of Labor Unions in America

With about 18 million workers organized in labor unions in the United States today, much of the personnel relations activities in business and industry are affected by unions. Because this country is a democracy, the right to organize by labor has long been a right which workers have enjoyed. More recently, however, legislation was passed declaring that workers had constitutional rights to organize and bargain collectively; a closer look at this legislation will be made later in the session.

Labor unions had their beginning several centuries ago, as it may be recalled from history that absolute national monarchies were unable to check the increasing power of the people in their endeavors to get better representation. Since 1689, the English Bill of Rights has served as a basis for the granting of religious and political freedom. This freedom and opportunity for democratic action spread to the fields of commerce and industry. The Industrial Revolution and the conditions which workers had to endure in the factories had much to do with the organization of free and independent labor unions.

The labor movement in England had a decided effect upon the attitude of the workers in the United States. The American organizations were modified from those of England; however, the early labor activities in this country were influenced greatly by the character of the colonies, the newness of the settlements, the free public lands, the large role which agriculture played, and the scarcity of labor. These factors actually slowed up the organization of labor and prevented a united front by labor.

Prior to 1800 there were several local trade unions in the United States. The first of these was an organization of carpenters, which was founded in Philadelphia in 1791; in 1794 two more unions were formed--the Federal Society of Journeymen Cordwainers in Philadelphia and the Typographical Society of New York.

These early organizations showed some degree of aggessiveness and from time to time in disputes with management, strikes were resorted to. The early labor unions, however, for the most part confined their activities to matters relating to the business of unions and the welfare of the members. The organizations maintained benefits for sickness of their members and in some cases expenses for burial purposes. These early unions enforced rules for apprentices and did all they could to get agreements with management on hours of work, wages, and working conditions. It was probably during this early period of American history that unionism became firmly rooted in labor's objectives and philosophy.

In the early 1800's, manufacturing and transportation industries developed rather rapidly. In the factory towns and cities, there arose many inequalities in living conditions, educational opportunities, and working conditions favored the development of co-operative action by economic groups. Workers came to feel the need for organization so that a united effort could be had. The number of local unions which were organized increased. In addition, there were many who advocated the formation of regional and national labor organizations so that more bargaining power could be had. A start in the direction of national unions and union federation was made in 1827 when the Mechanics' Union of Trade Associations was formed in Philadelphia. This was the first labor movement that affected more than a single trade. This formation came about when the carpenters at Philadelphia had a strike for a ten-hour day--at first, the strike was unsuccessful, but other trades came to its support. This organization went into politics to gain its end and found that such political action could be used to bring pressure to bear.

In 1834 the National Trades Union was formed which had about 26,000 members. This labor organization was instrumental in obtaining a ten-hour working day for government employees. Other national unions followed and all types of co-operative plans were being discussed by labor organizations. The demands which these early labor organizations made were: shorter working hours, free schools, equal taxation, abolition of laws which required imprisonment for debts, and direct election of public officials.

The first permanent national labor organization, the International Typographical Union, had its beginning at the convention of journeymen printers in 1850. The name which this union adopted in 1852 was the National Typographical Union; the union was made international in 1869. This union, which is in existence today, set an example that was followed by unions of stonecutters, molders, machinists, blacksmiths, and locomotive engineers. The principal aim of these organizations was to control the supply of workers in the industries represented by unions.

The panic of 1857 which affected the economic condition of the country weakened the union movement and some of the labor organizations became local in nature again. With the coming of the Civil War, business and manufacturing activities increased; in the North, especially with its factory centers, wartime production of military goods demanded more and more workers. These wartime conditions were very favorable to the development of union activity and there were rising prices, a greater demand for goods, and a shortage of workers. As a result of these conditions, unions grew in number and strength.

The wartime conditions brought about by the Civil War and the resulting favorable conditions for the formation of unions continued even after the war had ended. There developed a feeling on the part of many workers for the need of a single great union of all industrial workers--skilled and unskilled. Under the leadership of W. H. Sylvis, head of the Iron Molders' Union, a new organization was formed in 1866 known as the National Labor Union. It was composed of various types of labor and trade organizations. This union functioned for six years during which time it became identified with political movements and philosophies. It was chiefly concerned with securing laws that would restrict the working day to eight hours, establish a national bureau of labor by the government, and the exclusion of the Chinese coolies from the United States. A number of industrial congresses were held for the purpose of unifying the political aims and efforts of organized labor. In the 1870's there were some destructive strikes; but during this period of time, business depressions occurred again, causing the labor movement to lose considerable ground in its development.

The National Labor Union ceased to function in 1872; however, another organization began to make its appearance--this organization was known as the Knights of Labor. Actually this organization had its start in 1869 as a secret organization, known then as the Noble Order of the Knights of Labor. Prior to 1880 the organization had made little progress as a labor influence. However, it subsequently abandoned its secret meetings and began to enlist membership from all laborers. The Knights of Labor had as an objective the establishment of a co-operative society that would replace the existing capitalistic and competitive economic system. The organization's slogan was "An injury to one is the concern of all." The Knights' of Labor immediate objectives were: (1) increased wages for workers, (2) a reduction in the length of the working day, (3) the abolition of child labor. For several years, membership in the Knights of Labor increased rapidly and by 1886, membership totaled about 700,000. However, the organization failed because of several sympathetic strikes which it took part in were unsuccessful; its activities in political affairs; and because of the overcentralization of power in its general officers.

The labor organization which next was to come on the scene and one which is now presently in existence was the American Federation of Labor (A.F. of L.). The American Federation of Labor dates back to 1881 when several union leaders met at Pittsburgh, Pennsylvania in an attempt to unite existing unions on a nation-wide scale. This meeting resulted in the formation of the Federation of Trades and Labor Unions of the United States and Canada. In 1886, the Federation of Trades and Labor Unions through a meeting of its union executives, formed a new organization, the American Federation of Labor, which provided for a real federation of unions with revenue-collecting powers, under the guidance of a full-time executive. Samuel Gompers was elected president, and Canada and the United States were included in the jurisdiction of the Federation.

The growth of the Federation was slow because it was difficult to convince workers in some cases of the value of unified efforts on the part of labor to better their circumstances. The Federation survived a number of major obstacles in its earlier years. The panic of 1893 halted union expansion, several strikes had some bad effects upon the Federation, and other labor movements started by the American Labor Union, the Socialist Trades and Labor Alliance, and the Industrial Workers of the World provided competition for membership growth. The Federation weathered the storms of organization and initial growth, and today still has as its primary purpose the advancement of labor through unions banded together in an international association. It seeks to increase the economic strength and political and social influence of the member unions through organization, collective bargaining, legislation, and education.

It is well to discuss briefly, the philosophies of one of the labor organizations which had its beginning some years after the Federation, but which competed against the Federation for membership. This organization, which has been mentioned by name in a preceding incident was the Industrial Workers of the World. This organization brought together many conflicting elements--socialists who believed in political action, the socialists who believed in promoting the economic organization of industry, and the extreme "leftists" who believed in direct action wholly instead of political action. This organization, commonly known as the I.W.W., was formed in Chicago in 1905 and the common ground which its membership believed in was a hatred and distrust of capitalism. The philosophy of the I.W.W., as announced in 1908, was that the working class and the employing class had nothing in common, that the struggle between the two must go on until the workers of the world take possession of the means of production and abolish the wage system. In 1912 the I.W.W. carried on more than 30 successful strikes and its membership increased greatly. At the height of its popularity, its membership reached approximately 500,000. During World War I, opposition to the I.W.W. arose because of the lack of patriotism of its members as it opposed the production of war materials and tried to hinder the draft. Because of this and other reasons such as: extreme radical elements within the organization, suppressive regulations by the government, and the high rate of unemployment, the I.W.W. began to decline.

Industrial unionism did not cease with the decline of the I.W.W., but a more conservative aspect of it continued strongly in the individual unions such as the United Mine Workers of America among the coal miners, the unions of the brewery workers, the Amalgamated Clothing Workers of America in the garment industries, the United Textile Workers in the textile industries, and the Railway unions. Revolutionary unionism had subsided to a great extent; however, communistic tendencies continued to spring up and developed the policy of gaining control from within the labor unions. The Trade-Union Educational League, later called the Trade Union Unity League was organized in 1920 and by 1931 it claimed a membership of 100,000. In all of its characteristics, it was communistic--during the depression of the 1930's it lost strength and by 1938 had disbanded.

The American Federation of Labor in contrast to the unions just previously discussed had a somewhat different philosophy of organization and activity. The Federation and the four brotherhoods of the railroad workers (engineers, conductors, firemen, and trainmen) advocated a continuation of the fundamental institutions of free enterprise and did not question the ethical foundations upon which these institutions existed. The American Federation of Labor gave public notice of its philosophy when it issued its war labor policy at the outset of World War I in 1914. This policy contained: (1) a no strike policy for all war and defense material production, (2) recommendation for the establishment of a National War Labor Board, (3) the settling of grievances by mediation, conciliation, and voluntary arbitration through the War Labor Board, (4) the broadening of government mediation and conciliation services, and (5) due regard for the health, safety, and welfare of workers. Throughout its history, the American Federation of Labor has opposed numerous groups promoting ideals of socialism and communism.

The American Federation of Labor grew in number and strength from its beginning, although the rate of growth in some years was not very high. During the years of war prosperity from 1915 to 1920, membership rose to about five and one-half million workers; membership decreased by one and one-half million from 1920-1923; by 1930, membership in the Federation was approximately three and one-half million.

For some years, there had been a division of opinion among leaders in the American Federation of Labor over the question of the desirability of promoting the growth of unions on an industry-wide basis. The policy of the Federation had been to organize and further the interests of skilled workers in certain specific occupations--in other words, the organization of trades and crafts. There were those leaders in the Federation, however, who held an opposing theory--they felt that in the organization of unions, the nature and characteristics of an industry, and not the workers with certain skills, should be the guiding considerations. For example, in the automotive industry, it was said that the organizing activity should not be directed to forming separate unions made up of machinists, toolmakers, molders, etc.; rather there should be one union made up of all the workers in the automotive industry. This difference in opinions by the craft unions versus the industrial unions within the American Federation of Labor proved to be a heated and bitter controversy. The failure of the labor leaders in the Federation advocating industrial unionism to persuade the American Federation of Labor to give more attention to the organization of industrial unions led to the formation of a self-appointed committee to organize the mass-production industries.

In November, 1935, apparently without the official knowledge of the executive council of the A.F. of L., eight union leaders met in Washington and formed the Committee for Industrial Organization (C.I.O.). In brief, the Committee's purposes were to: (1) to encourage and promote the organization of the unorganized workers in mass-production and other industries upon an industrial basis; (2) foster recognition and acceptance of collective bargaining in such industries; (3) bring industrial organizations under the banner of the American Federation of Labor. After considerable correspondence between C.I.O. and A.F. of L. officers, the executive council of the A.F.of L. in January, 1936 rendered an opinion that the Committee for Industrial Organization should be immediately dissolved. As the C.I.O. did not carry out the recommendations of the executive council, charges against the Committee were preferred with the result of the charges being that the members of the C.I.O. were suspended by the executive council of the A.F. of L. The suspension became effective in September, 1936, in spite of the fact that the C.I.O. held that it was an illegal ouster, since the executive council had assumed powers reserved for full convention membership. In the same year, at the A.F. of L. convention, at which the C.I.O. unions were not permitted representation, the convention confirmed the split ordered by the executive council.

Numerous meetings of reconciliation by the representatives of the A.F. of L. and the C.I.O. failed to effect a compromise and both organizations began organizing campaigns which had success. After the C.I.O. established an independent federation, it became known as the Congress of Industrial Organizations. The C.I.O. became stronger through increased membership and increasing success in gaining recognition and collective bargaining agreements in the mass-production industries. The C.I.O. was victorious, in the first great test of its strength on a national scale, when it gained recognition from the General Motors Corporation despite opposition from the A.F. of L. This brought new gains in membership, not only in the automobile industry, but wherever the C.I.O. was carrying on its organizing activities. In 1937 it was noted that almost four million workers were affiliated with the C.I.O., a remarkable growth from its small beginning. Peak membership in the C.I.O. was reached in 1940 when almost seven million workers were members. The C.I.O. organizing campaign swept through a number of industries with considerable success. Workers in many types of industries went into C.I.O. membership--textile workers, oil workers, shipbuilders, transport workers, retail employees, and others. The United Mine Workers under the leadership of John L. Lewis did much in organizing of workers in new industries. In fact, John L. Lewis was elected president of the C.I.O. at its first convention in Pittsburgh in 1938.

The split in the organized labor movement that resulted from the formation of the C.I.O. had several important effects, both on the labor movement and on the public. It caused some of the craft unions in the A.F. of L. to make requirements for admission easier. Rivalry between the A.F. of L. and the C.I.O. caused the leaders of unions identified with each of the two federations to compete with each other in winning concessions from their respective employers. On certain occasions, it resulted in jurisdictional disputes that led to strikes, even though no issue between a union and the employer was involved. The rivalry often led to disunity in political matters such as the support or opposition of a candidate, which weakened the over-all political power of organized labor. Both sides recognized that this split in labor unions was not giving full strength to the purposes and progress of organized labor. There finally started some discussion and negotiations to bring the two federations together into one unit. After a long period of talks and negotiation, a merger of the American Federation of Labor and the Congress of Industrial Organizations was brought about on December 5, 1955. The president of the A.F. of L. became the president, and the president of the C.I.O. became vice-president and director of the A.F.L.-C.I.O. Department of Industrial Organization. The total membership of the new organization was estimated at about 16 million persons. The new organization through its constitution establishes: (1) membership shall be chosen regardless of race, creed, color, or national origin, (2) raiding of members from one union by another and jurisdictional disputes are to be discouraged, (3) protection of labor movement from corrupt influences and practices of all kinds, including the efforts of Communists to gain control of member unions, (4) a Code of Ethical Practices which controls the issuance of charters to local unions, the handling of health and welfare funds, labor racketeers and communists and fascists in unions, investments and business interests of union officials, and the practice of democracy in union affairs.

Besides the A.F.L.-C.I.O., there are the Railway Brotherhoods and the independent unions. Coming into existence as mutual benefit and insurance groups, the railway unions multiplied with overlapping jurisdiction. These many unions did not present a unified front until the Brotherhoods began to co-operate more closely under a federal act of 1934. The railroad unions supplemented collective bargaining to their benefit plan and today they are looked upon as good business unionism. Besides the railway unions, there are independent unions in other industries--newspaper, printing, clothing, steel, etc. Which have developed with the growth of these industries. Even though some independent unions did originate as employee representation plans, many had from their start, and still have, no connection with such a plan or with the management. Many of the independent unions contend that they could and wanted to deal with their employers themselves; that they knew the conditions in the companies and could do a better job of bargaining themselves without any interference or domination by an outside union. In 1958, out of 186 national and international labor unions in existence, 49 were unaffiliated. Most of these unaffiliated unions were in the 1,000 to 5,000 membership range size.

(This concludes the "History of Labor Unions in America." It will be well for you to summarize this material before going to the next section. In your summarization, be sure to cover the explanations for types of labor organizations, as:

Labor Union--refers to any organization of employees that acts as a bargaining agency for its members.

Craft or Trade Union--the membership is comprised of workers in a single occupation or in closely related occupations; The Knights of Labor and the American Federation of Labor advocated this type union organization.

Industrial Unions--composed of all classes of workers in a given industry; The Congress of Industrial Organizations advocated this type union organization.

In the summarization, also cover major points of development of both A.F. of L. and the C.I.O., including the split in 1936 and the merger in 1955.)

III. Character of Labor Unions

A. Labor unions are classified not only as trade or industrial unions, but also as local, national or international, and federated unions.

B. The Local Union

1. Individual members of labor organizations belong to local unions, and only indirectly to national and federated unions.

    a. Some of the large local unions include most of the workers in a number of different plants in the same industrial community.

2. Officers of the small local unions do not receive any pay for serving as an official, but simply continue to work in their regular jobs.

    a. In the larger local unions, however, officers receive so much pay for conducting each meeting.

3. In the large local unions, clerical help is provided on a full-time basis and an office is maintained.

    a. In such a situation, a business agent is employed who is a full-time employee of the local.

    b. A business agent serves as manager of the local union and in general administers the affairs of the union.

4. Shop stewards are elected by the departments in a company which is unionized.

    a. The shop steward is not an employee of the local union, but his main functions are: (1) handle grievances of members of the local union with the management of the company; (2) make sure that the conditions as defined in the union agreement with management are carried out.

5. Dues are paid by members to an officer of the local union, usually the treasurer.

    a. The amount of dues paid by each member is determined by many factors and the benefits members are entitled to.

    b. Dues normally paid once a month; can range between $2 and $20 a month, depending upon conditions which have been set and benefits members have agreed to be assessed for.

c. Dues which are collected by the local union are divided between the local and the national union--a percentage of the dues are sent to the national union.

C. National and International Unions

1. Most local unions join together in national or international unions.

   a. The national unions, however, often direct the organizing of work groups into local unions.

2. The constitution, rules, and regulations of the local unions must observe the general organizational policies and procedures as prescribed by the national unions.

3. The functions of the national unions are:

   a. To assist local unions in negotiations with employers.

   b. To promote and extend union organizations on the local level.

   c. To take active part in the conventions and other meetings of the national federation with which they are affiliated.

4. The Department of Labor reported that in 1958 there were 186 national and international unions; 137 of these affiliated with the A.F.L.-C.I.O., and 49 unaffiliated.

5. The distinguishing feature of the international unions in contrast to national unions is that the former include locals in the United States, Canada, Puerto Rico, and other territories outside the United States.

6. The size of the national unions, as reported by the United States Department of Labor range from less than 1,000 members to more than 1,000,000.

7. The national unions hold conventions every year, or at some other time interval when the business of the organization is discussed by the delegates.

   a. All of the local unions send delegates to the conventions.

8. The affairs of the national unions are handled by an executive board.

   a. The executive board executes the rules and instructions which the convention adopts.

   b. The executive board may issue or withdraw characters of local unions.

   c. The executive board actually supervises all of the business of the organization, including business of the local unions.

D. National Federations of Unions

1. For most part, the national unions are affiliated with the A.F.L.-C.I.O.

   a. An exception, however, is noted in the case of the Railway Brotherhoods (Engineers, Firemen, Conductors, Trainmen) and a number of unions composed of government workers who are not affiliated with the A.F.L.-C.I.O.

   b. The Teamsters Union was expelled from the A.F.L.-C.I.O. in 1958 for conduct which did not keep with the intent of the constitution the activities of the members of the union and especially its executives in corrupt practices were made public.

   c. A total of 15 unions with memberships ranging from 28,000 to over 1,600,000 do not belong to the A.F.L.-C.I.O.

2. The general objectives of the national federations of unions (A.F.L.-C.I.O.) are:

   a. Promote the labor movement among local and national labor organizations that make up the federation.

   b. Assist all organizations in the federation on matters pertaining to the legislative, judicial, and executive branches of government.

   c. Expanding union membership.

   d. Providing information of various kinds to members.

   e. Providing of guidance in all matters pertaining to labor to unions in the federation.

E. Structural Organization of the A.F.L.-C.I.O.

1. A better understanding of the structural organization of the three types of unions can be had by studying the organizational structure of the A.F.L.-C.I.O.

2. Such an organizational structure, presented in chart form will be utilized for this discussion.

*** Handout 15 ***

(Handout 15 should be discussed with trainees in relation to the basic union structure and organization of the A.F.L.-C.I.O. Points which may be mentioned in the discussion include:)

a. Holders of residual power in most unions are the national and international unions, as they charter most of the local unions.

b. Although not mentioned in the chart, it is significant to note that in 1958, there were well over 60,000 local unions which were members of the national unions in the A.F.L.-C.I.O. compared to about 500 local unions directly affiliated with A.F.L.-C.I.O.

c. Also, the local unions, both those directly affiliated with the A.F.L.-C.I.O. and those affiliated through membership in the national unions may also be members of local and state federations and councils.

d. As can be noted, the organizational structure of the A.F.L.-C.I.O. is rather large and complex--in addition to the basic chart drawn, there are also represented in the structure, many departments at each level, standing committees, and a large staff which work under the officers at the Washington, D.C. office.

IV. Laws Affecting Labor Unions

A. There are several laws which affect the activities of labor unions.

1. These laws have been the outgrowth of attempts to maintain industrial peace and prevent controversies which cause very bad situations.

2. It is a basic right that the American worker have individual freedom and that businesses and industries have the same freedom in the conducting of operations without being subjected to acts of unlawfulness and coercion.

3. One of the ways that the basic rights of the worker and the employer are protected is through the enactment of laws.

4. There must be proper respect shown for both the worker and the employer; and even though in many cases, peaceful relations between workers and employers are maintained, not through the compulsions of law, but by a willingness on the part of the people to concede that these rights exist, laws are still needed to prevent misunderstandings or misinterpretations.

5. The important laws and doctrines which affect organized labor are best classified as: (1) Common law doctrines, (2) State laws and agencies, and (3) Federal laws and agencies.

   (Pace the following section slowly. Write the name of each law or agency being discussed on the chart or board.)

B. Common Law Doctrines

1. American common law, unwritten law, is predicated on the ideals of the right of the individual and the right to hold and own private property.

2. This philosophy of common law is the basis for the doctrines presented which attempt to apply legal restraints and solutions in the settlement of industrial disputes.

3. **The Conspiracy Doctrine**

   The basic theory of the conspiracy doctrine is that a lawful act when done by an individual may be unlawful when it is the result of combined effort. For example, it has been held that an individual worker asking for an increase in pay is legal, but when individuals combine for the purpose of demanding a wage increase, courts during the early history of trade unions often ruled that a combination of workers in itself was a violation of the law. For many years the courts tended to outlaw all union activity; then, in 1842, the Supreme Court of Massachusetts ruled that a combination of workers as such was not illegal unless it used some criminal or unlawful means. This ruling resulted in a departure from earlier decisions. Now, according to common law, courts tend to hold that a combination of individuals is legal if the purpose is the benefit of the members of the group, but if the purpose is the injury of the employer, the organization is illegal. This results in sometimes rather close study by the courts since a union may feel that it can gain its point only by inflicting financial loss to an employer. The court must decide whether the loss to the employer or the benefit to be gained by the workers is of the greater importance.

4. The Restraint-of-Trade Doctrine

According to this doctrine, any contract that restrains trade is against public policy and is unenforceable. Also, when persons combine in an agreement to restrain trade, the combination may be a criminal conspiracy. At common law, a combination for the purpose of peacefully persuading an employer to grant an increase in wages was usually allowed to be legal; but if the purpose was to coerce him by using unreasonable means such as a strike, boycott, etc., such was held to be a conspiracy in restraint of trade. What was reasonable in any case depended upon the judgment of the court.

C. State Laws and Agencies

1. Each state has its own statutes which apply to industrial disputes.
2. There is a degree variety noticeable among the states in the laws which apply to union activities; however, most state laws declare that conspiracy is a criminal offense and that combinations to restrain trade are illegal.
3. A closer look at these legal aspects in Louisiana will be taken later in the session.

D. Federal Laws and Agencies

1. Norris-LaGuardia Act

This federal statute enacted in 1932 limited the power of federal judges to issue injunctions in connection with disputes between employers and employees. The general purpose of the act was to exempt labor unions from injunctions in response to employers; requests in connection with labor disputes. It specifically accorded to labor the right to strike, to belong to a union, and to engage in other practices, many of which rendered union members liable to prosecution under common law.

2. National Labor Relations (Wagner) Act

This federal law was enacted in 1935. It provided that employees have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively, and to engage in organized activities for their mutual aid or protection. The law also stated that it would be an unfair labor practice for an employer to interfere, restrain, or coerce employees in the exercise of rights guaranteed by the act; that the employer must not discriminate in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization; and that it cannot refuse to bargain collectively with the representatives of his employees. Provided by the law also, was the creation of a National Labor Relations Board, which was charged with carrying out the provisions of the Act.

3. Labor Management Relations (Taft-Hartley) Act

Opposition to the Wagner Act resulted in 1947 in the passage by Congress, over the President's veto, the Labor Management Relations Act, commonly known as the Taft-Hartley Act. The Wagner Act was not repealed; but the Taft-Hartley Act nullified or modified many provisions which had been objectionable to employers. The law put into operation certain restrictions on labor organizations and practices that businessmen and employers had advocated so as to place management on an equal footing with the unions. Just as the act was highly acclaimed by management, it was denounced by labor unions which called it the "slave labor" law.

In general, the provisions of the Taft-Hartley Act were:

a. The law required that both labor unions and management respect the right of individual workers to join or not to join a union.

b. Annually a union that has been recognized by management may be required to prove that it represents a majority of the workers in the company.

c. A union may be sued by an employer, another union, or an employee for the acts of any one of its officials, including shop stewards.

d. Featherbedding, which is the practice of compelling employers to pay for unnecessary services, is prohibited.

e. The law prohibits the closed and preferential shops, but permits the union shop provided the state does not have a law against it.

(The types of shops mentioned may not be familiar; therefore, definitions of each is given:)

Union Shop -- a union shop agreement requires any nonunion worker who secures employment in the company to become a member of the union at the end of a specified time.

Closed Shop -- is an establishment that operates under a collective-bargaining agreement not to employ nonunion workers.

Before nonunion workers are employed, they are required as a condition of employment to become and remain members of the union which the company has an agreement with.

Preferential Shop -- This type of shop exists when the union contract requires that the company give preferential treatment to union employees. In hiring additional workers, preference is given to hiring union members; or in case of layoffs, union members are given preferential treatment.

f. The act provides that, if the President of the United States believes that an impending strike or a strike that is in progress might endanger the national health and safety, he may appoint a board to study the facts of the case. After the report by the Board, the President may ask the Attorney General to file a petition for a court injunction restraining the calling or the continuation of a strike--such an injunction may run for 80 days.

g. The law prohibits secondary boycotts and jurisdictional strikes.

(These terms will be defined.)

Secondary Boycott -- A secondary boycott is an action by a labor union whereby the union prohibits its members from working for or having any dealings with a concern whose employees are on strike.

Jurisdictional Strikes -- These are strikes which arise due to disputes between rival unions and not due to a demand upon the company.

h. Unions are required to report to the Secretary of Labor: (1) qualifications for admission to the union, (2) manner in which elections are conducted, (3) amount of compensation of its principal officers, (4) amount of initiation fees and annual dues, and (5) sources of receipts and amount of assets.

i. Unions are not permitted to contribute money directly to political party organizations for the purpose of influencing the election of federal officials. Unions are able to get by this provision by setting up a group or unit composed of individuals favorable to the candidates approved by the union.

j. The law provides for the creation of a position of General Counsel of the National Labor Relations Board. This officer investigates complaints under the statute and decides whether or not these may be presented to the Board.

4. Labor-Management Reporting and Disclosure (Landrum-Griffin) Act

This act was passed by Congress in 1959 and came about because there were uncovered some unethical union practices by a Senate investigation committee. This act has become an important amendment to the Taft-Hartley Act. The law is directed toward preventing unscrupulous union leaders from taking unfair advantage of workers, employers, and the public. The law specifically gave state courts and labor agencies jurisdiction over certain union-management cases; requires annual detailed reports to the Secretary of Labor as to union finances, and bars communists from union office. Labor unions were opposed to the Landrum-Griffin Act as they felt it would hamper the growth of unions. The provision which they especially objected to was that which gives state courts more jurisdiction in dealing with labor disputes which the unions claim might result in an increase in the use of court injunction in the control of union activities.

5. The Federal Mediation and Conciliation Service

In 1915 the United States Labor Department started *a conciliation service which has been since that* time effective in helping to settle industrial disputes. The Taft-Hartley Act changed the name of the Service to the Federal Mediation and Conciliation Service (FMCS) and provided that the Service was to be an independent federal agency. Under the law the FMCS is required to give its services whenever it decides that a dispute may cause a substantial interruption of commerce. In case the director cannot bring parties together, he must urge both to submit the employer's last offer to a secret vote by the employees.

The National Railroad Mediation Board and the National Railroad Adjustment Board each has jurisdiction over the different classes of employees of the railway industry. If a dispute arises and neither board can offer a settlement and a threat is apparent which may tie up transportation, the President is notified. The President then appoints an emergency board of persons who attempt to find facts for a settlement; the report of the situation is then due in thirty days, during which time a strike is illegal.

V. Organized Labor's Objectives

A. The first objective which organized labor promotes is the right to bargain collectively with management in an attempt to reach certain agreements relative to labor matters.

Collective bargaining is the agreement as to wages and working conditions which representatives of organized labor makes with management.

1. The purpose of a labor organization is to form a union that has power to act for the group.

2. It must be remembered that early efforts of unions to bargain collectively were declared illegal.

    a. Even after the legal right was given to workers to bargain collectively with management, the right of workers to enforce collective agreements with employers was uncertain for many years.

3. The Wagner Act, passed in 1935, as has been noted, gave unions definite rights to bargain collectively.

4. Organized labor feels that it is only through collective bargaining agreements between employers and employees can workers enjoy equal bargaining power with employers.

B. Union Security

1. So that workers may deal effectively with employers in collective bargaining, they feel that they must organize and maintain an entity which must be accepted and recognized by the employer.

2. Several methods for achieving union security have been employed; these are:

    a. Closed Shop

    b. Union Shop

    c. Preferential Shop

    d. Maintenance-of-membership

    e. Check-off System

3. The first three methods have been previously defined when the Taft-Hartley Act was discussed.

(It may be necessary to again repeat the definitions and discuss briefly.)

4. As has been seen, the Taft-Hartley Act prohibits the Closed Shop and the Preferential Shop; but does permit the Union Shop provided the State does not have a law against it.

5. Maintenance-of-membership arrangements require that employees who voluntarily become members of a union must remain as members for the duration of the union contract with the company.

6. Checkoff System--this is an agreement between the union and the employer whereby the employer deducts union dues from the pay of union employees and turns over the money collected to the union treasurer.

   The Taft-Hartley Act permits the use of the checkoff system, provided the worker has given his written permission to have such done.

C. Standardized Wage Rates

1. Labor unions demand that the rate be the same for each employee in a given class of workers.

   a. Unions do not believe that the total wages of a worker in a given class be the same, as some workers earn more through overtime.

2. Generally labor does not accept the idea of incentive wages, whether they take the form of piece rates or bonuses for faster work.

   a. Unions normally take the position that it asks only for a fair wage for a standard day of work.

   b. In cases where incentive plans have been opposed, unions contend they are protecting the workers from overwork and safeguarding workers from exploitation.

D. Increasing and Maintaining Wages

1. The attitude of labor unions today has been that because of improvements in organizations and techniques of production, real wages should rise.

2. The labor unions also advocate that wage rates should be adjusted to rises in the cost of living.

3. The unions have stated that the requests for wage-rate increases because of an increase in the prices of rent, food, and clothing have been justified because:

- a. Wage-rate increases should be such so as to offset decreases in the value of money wages.
- b. Only through the maintenance of consumer purchasing power can goods produced find buyers.

E. Hours of Work

1. Organized labor advocates the gradual decrease in the work day and work week based on several reasons:
    - a. Mass production makes it possible to produce more goods with less work.
    - b. Workers need to have more time for recreation and cultural improvement.
    - c. A reduction in the work period would result in an improvement to the health of workers.
    - d. More leisure time creates more demand for different types of goods.
2. Sometimes it is argued that a shorter work period would create more jobs; however, in the long run this reasoning is not valid as there is just so much work to be done and no more.
3. As a rule, employers have opposed any reduction in the work period as this situation always turns to the question of productivity.
    - a. Management questions whether workers can produce enough goods in a shorter period of time which would allow the maintenance of the same wage or the increase sought by labor.

F. Use of Machinery and Laborsaving Processes

1. Ever since the advent of machines, workers have seen in their use a threat to their jobs.
2. Labor unions are not as hostile to machines and laborsaving devices as they were years ago, but they still recognize the fact that the loss of jobs and unemployment will result when laborsaving devices are used.
3. The unions argue that if certain jobs are done away with by the use of machines, then the employer has the responsibility to find jobs for the displaced employees at no reduction in wages.

4. The union position concerning finding work for displaced workers got some support when in 1960 the Commission on National Goals stated that some measures would have to be taken to solve some of the problems brought about by technological growth, especially in regard to technological unemployment.

G. Control of the Labor Supply

1. Craft unions insist that new workers be required to meet standards as set by the unions.

2. The objectives of the unions have been to control the number of apprentices who may be trained and admitted for work.

3. Some companies set up their own training programs to train apprentices, but such moves are objected to by the unions.

    a. The unions contend that training given by the employer is too narrow in scope to prepare the apprentice for all types of jobs in the craft.

    b. In some cases, craft unions undertake to spell out the time apprentices shall serve, the qualifications of the instructors, and the conditions under which the training will take place.

4. Unions also limit the number of helpers who may be employed in certain jobs because the helpers after a while on the job become proficient and constitute an additional supply of journeymen.

    a. Because of this factor, several unions have established a journeyman-helper ratio to limit the number of trained workers.

5. Unions also use a licensing practice in order to limit the number of persons who can work in a certain trade.

    a. The requirement of having persons obtain licenses are usually found in the plumbers, barbers, and electricians trades.

H. Regulation of Output

1. This practice of regulation of output refers to the withholding of a certain amount of effort on the part of workers.

2. A painter's union may place a limit on the width of the brush its members may use; a bricklayer's union may set a limit on the number of bricks a worker may lay each day.

3. The unions contend that their policy of regulating output is justified because:

    a. Standards of work performance are used in setting requirements of such.

    b. It is a natural tendency that a worker does not want "to work himself out of a job" by completing his work in less time than is necessary.

    c. Regulation of output which the union sets is considered to be within "reasonable" limits.

4. Employers consider the practice of regulation of output very bad practice and the union takes unfair advantage of them.

B. Because there does arise cases of where agreement cannot be reached by either unions or management, actions by one or the other result.

C. Methods Used by Organized Labor

1. Strikes
2. Picketing
3. Boycotts
4. Political Pressure
5. Sabotage

D. Strikes

1. Strikes are a stoppage of work by a group of employees for the purpose of compelling an employer to meet its demands.

2. Members of unions do not feel that by stopping the work and not performing their duties that they in any way forfeit the right to the job when the dispute has ended.

    a. Management, however, often feel that when an employee leaves his job, he has voluntarily vacated the job.

    b. Any attempt to fill the jobs of those persons on strike by other persons is resented by the unions.

3. The Department of Labor points out that the causes of strikes are from:

   a. Wage and hour disputes

   b. Union organization, wages, and hours

   c. Miscellaneous working conditions

4. Types of Strikes

   a. Jurisdictional strikes--these arise because of a dispute with a rival union and not because of a demand upon the employer. These strikes are prohibited by the Taft-Hartley Act.

   b. Direct strike--a strike between the union and the employer.

   c. Sympathetic strike--this is a strike, the purpose of which, is to assist other workers who have a dispute with their employer. Those workers who go on a sympathetic strike have no dispute with their employer; their action of strike is in sympathy for other workers.

   d. General strike--this is a strike that involves the workers in all industries in a city or region.

   e. Wildcat Strike--a strike which only the members of a local union participate in and this is done without authorization of the national union with which the local is affiliated.

   f. Sit-down Strike--this is a strike in which the workers sit down at their jobs and do no work with the purpose being to prevent other non-union workers from taking their places.

      Although the sit-down strike has been used, it no longer is employed as the United States Supreme Court has declared it unlawful.

   g. Slowdown--this is a form of a strike; however, the workers remain on the job, but purposely withhold the amount of work they are doing.

      The Taft-Hartley Act gives the government the right to decide in any situation in question when there is a slowdown in an establishment which amounts to a strike. The National Labor Relations Board and the courts determine the speed of production and study the conditions to see if workers are guilty of striking.

E. Picketing

1. A union picket is a member of the labor union posted near the entrance of the company or place of employment to inform other workers and the general public that a dispute exists.

2. Picketing is done to discourage other workers from entering the company for the purpose of working.

3. The objective which picketing has is to see that all employees and others observe the strike; for if some workers remain at their jobs, or if other workers take their places, the effectiveness of the strike is weakened considerably.

4. To accomplish the purpose for which it is intended, only a number of pickets sufficient to conduct peaceful picketing is maintained.

5. Sometimes, when workers persist in crossing the picket line and not honor the strike, violence can and does occur.

6. Types of Picketing

   a. Legal Picketing--picketing in peaceful manner with only the necessary number of persons needed to carry out duties.

   b. Mass Picketing--picketing done with large numbers of persons who attempt to block entrances to place of employment--such picketing is held to be illegal.

   c. Secondary Picketing--this is picketing of an employer who does business with the company which the workers are striking.

F. Boycotts

1. A boycott is the activity of withdrawing and inducing others to withdraw from any business relations with certain groups or persons.

2. The purpose of the boycott is to bring economic pressure on a producer or seller of goods.

3. Types of boycotts

   a. Primary Boycott--this is a situation where the workers, who are usually on strike, agree not to patronize a firm because of its dispute with management.

b. Secondary Boycott--this is action taken by a labor union in that it prohibits its members from working for or having any dealing whatsoever with a concern whose workers are out on strike.

The Taft-Hartley Act ruled that the secondary boycott is illegal.

G. Political Pressure

11 1. In any labor-management dispute, the weight of public opinion plays an important part in determining the outcome.

a. Because labor unions recognize this aspect, they do all they can to create an atmosphere where they will receive favorable public opinion.

2. Labor unions do have groups which work toward getting laws passed which are favorable to the unions.

a. The federal and state laws which were passed giving labor unions the right to organize and bargain collectively of conspiracy and restraint of trade did much to foster union growth and development.

3. With the passage of the National Labor Relations Act in 1935, many desires of organized labor were met.

4. The A.F.L.-C.I.O. maintains lobbyists who work in Washington to secure the passage of laws which benefit organized labor.

H. Sabotage

1. The term "sabotage" is used to identify those actions by workers intended to restrict production or cause damage to the employer's property.

2. No important labor group today advocates the use of sabotage in the sense of causing physical damage to property.

a. However, the resentment of workers with grievances has resulted in acts of destruction.

(Before proceeding with methods used by employers in labor-management relations, take a few minutes and review and summarize the preceding section--methods used by organized labor.)

I. Methods Used by Employers

1. It seems that employers have just as many methods at their command as organized labor during labor-management disputes.

2. Some of the methods which employers have used in the past are now prohibited by law; however, they will be mentioned for informational purposes.

J. The Methods Used by Employers include:

1. Lockouts
2. Injunctions
3. Blacklists
4. Yellow-dog contracts
5. Strikebreakers
6. Company Unions
7. Political Pressure

K. Lockouts

1. The lockout is an action by the employer to stop his business operation in an attempt to win a dispute with his employees.

2. The lockout has not been used extensively, as employers do not want to close their business in order to try to win a point with labor.

L. Injunctions

1. An injunction is an order from a court commanding an individual or group of individuals from doing a certain act.

   a. The injunction is granted to prevent damage which could result from proposed action.

   b. When a court issues an injunction, the labor unions must obey it or be held in contempt of court--if found guilty of contempt, a fine or imprisonment could result.

2. As was noted earlier, the Norris-LaGuardia Act now limits the power of federal judges to issue injunctions in labor disputes.

3. The Taft-Hartley Act, however, provided for the use of the injunction in certain cases.
    a. Should a labor dispute, in the opinion of the President of the United States, imperil the health and safety of the nation, procedures are set up so that an injunction which can last 80 days be granted.
    b. This 80-day cooling-off period allows for certain other procedures to be followed so that the dispute can be allowed opportunities to be resolved.

M. Blacklists

1. A blacklist is a list of the names of union members which is secretly kept and exchanged by employers for the purpose of preventing certain workers from obtaining other employment after having been discharged for some type union activity.
2. Prior to the passage of the National Labor Relations Act, there was no legal question as to the right of employers to maintain and exchange such lists.
    a. The National Labor Relations Act now prohibits the use of blacklists.

N. Yellow-dog Contracts

1. Yellow-dog contracts were contracts which the worker signed and agreed to; such contract specifying that as a condition of employment, the worker during his period of employment was not to belong to a union, nor to engage in collective bargaining or striking.
    a. The term "yellow dog" came from usage by fellow workers to name those workers who agreed to such contracts.
2. Yellow-dog contracts were formerly enforced in the courts; however, the Norris-LaGuardia Act of 1932 made such contracts unenforceable.

O. Strikebreakers

1. A strikebreaker is an individual hired by the employer to replace a striking worker.
2. There are state laws which give the conditions under which employers may hire strikebreakers.
    a. Federal statutes make it illegal to transport strikebreakers across state boundaries.

P. Company Unions

1. A company union is an organization of workers in a company that is not affiliated with an outside labor group.

2. Passage of the National Industrial Recovery Act in 1933 gave rise to the company union movement as the Act guaranteed labor the right of collective bargaining and stated that employers might not discriminate against employees because of their union activities or membership in a labor organization.

3. Many employers fearing that their workers would join locals that were affiliated with national unions, encouraged their employees to form company unions.

4. The National Labor Relations Act prohibits employers from giving financial aid to encourage company unions, or to dominate or attempt to control company unions.

Q. Political Pressure

1. Employers, like labor unions, realize the importance of public opinion in the settlement of industrial disputes.

2. Employers, through associations and lobbying interests, seek to secure the passage of laws favorable to them.

3. In the case of a strike that may affect an entire community, employers very often appeal to the public for support by placing newspaper advertisements which state their position.

VII. Collective Bargaining

A. When representatives of an employer and the representatives of workers bargain together to establish wages, hours, and working conditions the process is called collective bargaining.

B. As has been noted, legislation provides many of the rules guiding collective bargaining at the present time.

1. Such legislation as the Labor Relations Act of 1935 and the Labor-Management Act of 1947 set the pattern for such procedures in collective bargaining.

2. There are also some states with laws governing collective bargaining practices.

C. The laws which set up and regulate collective bargaining clearly indicate that the American public favors this system and insist upon free collective bargaining.

D. Collective bargaining usually starts with the negotiation of the union agreement and the signing of the labor contract, but it doesn't end there.

  1. Management and labor must live with the agreement as long as it is in effect; the contract like any other contract is rarely changed during its life.

  2. There are usually many occurrences, however, which take place between labor and management where differences of opinion exist on what the meaning of the contract is.

  3. It is this difference of opinion and differences in interpretation which brings about controversy.

E. Neither an employer nor a union may refuse to bargain if requested to do so by the other party.

  1. IT IS IMPORTANT TO NOTE, HOWEVER, THAT NEITHER PARTY DOES NOT HAVE TO AGREE TO THE OTHER'S DEMANDS.

    a. Several factors will determine the final disposition of the matter subject to bargaining:

      aa. Reasonableness of the union demand

      ab. Desirability of the demand by management

      ac. The ability of the company to pay the cost

      ad. The bargaining strength of weakness of the union or the company.

F. Many union contracts provide that either the union or the company can initiate proposals for changes; in the contract when such is undertaken, the party must notify the other from 30 to 90 days before the termination date.

G. No standard rules dictate who will be employer or union negotiators; negotiations may be carried on by a single representative or by a committee.

1. Usually a large committee is created for planning negotiations by each group; then, a small subcommittee is designated to carry on the actual negotiations, and a single spokesman is named as chairman.

2. For the employer, the large planning committee usually includes representatives from each of its divisions, including several first-line supervisors.

    a. The labor-relations director is normally designated to do the bargaining for the company.

3. For the union, the business agent, local president, or international representative may be chairman of the bargaining group.

4. In the bargaining talks, each side usually has a person who has authority to make commitments.

    a. Bargaining is much slower if each minor concession and adjustment has to be referred to a higher authority for approval.

H. Where adequate facilities on the employer's premises are available, there are usually no objections by unions to hold negotiation sessions at the company.

1. Also, in many companies, negotiations are held in large part on company time, as employee members of the negotiating committees are excused for the time lost away from their jobs.

    a. If the negotiations run into lengthy sessions, the company usually only pays a part of the total wages.

I. Even the most carefully negotiated and worded agreement may be found to be inadequate for some situations; bargaining may take place to effect a change in the contract.

1. This is an important feature of bargaining, as most agreements run for one year, although some contracts run for two, three, or five years and within these time intervals, changes are often desired.

J. There are several areas which are considered management prerogatives and not subject to bargaining. These are:

1. The right to determine sales policies, organization structures, areas, etc.

2. Location and structure of plants.

3. Selection of machines, equipment, and tools.

4. Determination of production schedules.

K. Some items are considered controversial with no clear-cut policy as to whether they are subject to negotiation if not included in the contract. These are:

1. Right to hire, discharge, transfer, promote, and discipline.

2. Granting of leaves.

3. Employee classifications and merit wage increases.

L. Legislation and public opinion have long held that public employees do not have the right to strike or bargain collectively.

1. The reasons for this is that funds for wages and salaries must come from legislative action; and that public agencies are not given power to create or enforce such contracts.

VIII. Grievance Procedure

A. Most union contracts establish grievance procedures as experience has shown to both management and labor that it is best to have some systematic method of handling complaints.

1. It is not uncommon for companies which do not have a union contract to still insist on the establishment of a grievance procedure.

B. Where a union contract is involved, grievances are adjusted through an orderly process known as the grievance procedure.

1. In most cases, grievances are based upon workers' resentment of some decision made by management or some action taken by foremen or supervisors.

2. The grievance may be a large issue, or it may be a small one; it may be concerned with a worker's refusal to do a certain type of work, or the right to smoke in a certain area, or the length of a rest period, etc.

3. Most companies follow the practice of permitting grievances on any subject, but limiting arbitration to disputes over interpretation or application of the contract.

4. Wise management knows that any unsettled grievance, whether it be real or imaginary, is always a potential source of trouble--the grievance machinery helps uncover the causes and get the grievance out into the open.

C. There is no standard grievance procedure set down by law and each company must tailor grievance procedures to fit its own situation, but based upon what union and management have agreed upon and written into the contract.

D. Typical Grievance Steps (Initiated by the Employer)

Step 1 -- The foreman discusses a complaint with the worker and the union steward.

Step 2 -- The superintendent of the company or his representative discusses the complaint with the union grievance committee.

Step 3 -- General company management discusses the issue with national union representative and union grievance committee.

Step 4 -- Dispute is referred to impartial arbitrator for decision.

E. Typical Grievance Steps (Initiated by the Union)

The same four steps as above are followed, except that the union personnel initiate the discussion rather than company personnel.

F. The contract provides that the decision of the impartial arbitrator is binding.

1. Many times, differences and disputes are settled before it reaches arbitration.

2. Both the employer and the union usually prefer settling their own disputes without having to depend upon a third party; however, when needed, peaceful arbitration is far better than strikes or lockouts.

IX. The Supervisor's Role in Labor Relations

A. The first-line supervisor plays an important part in management-union relations.

1. The supervisor is a representative of management, and in the eyes of the law, supervisors and foremen are held to be agents of the company.

B. Since the company is held responsible for any action which the supervisor may take in dealing with workers who belong to unions, it is very important that the supervisor become familiar with the labor contract and all its ramifications.

C. Of foremost importance, the foreman is primarily responsible to his company to protect its interests in labor matters.

   1. In most companies, the first-line supervisor is usually the first contact between workers and management and between union representatives and management.

   2. The actions and words of the supervisor in such dealings can have important consequences.

   3. Actions which the supervisor takes can cause the company to be charged with breaking the union contract.

D. The Supervisor's role under the Wagner Act

   1. As the foreman and supervisor are directly affected by the unfair labor practices of the Wagner Act, there are some things which should be avoided:

      a. A foreman should never use threat or take action that would affect a worker's job or pay when the union is organizing a drive for membership or during a National Labor Relations Board representation election.

      b. The supervisor or foreman should avoid any action such as discharge, layoff, demotion, or difficult job assignment on account of the worker's union membership activities.

      c. The foreman or supervisor should not discuss union matters with employees, or to express an opinion for or against a union.

E. As previously pointed out, supervisors are many times expected to participate in collective bargaining negotiations; therefore, a keen and alert understanding of labor practices in the company must be developed.

F. The supervisor must know the rights of the shop steward; but more important what the limitations are to the steward's activities.

   1. The steward does not manage the department, this is the supervisor's job.

2. The main activity which the steward has, in addition to doing his assigned work, is to look out for the rights of the workers as prescribed by the union contract.

    a. For this reason, often a steward will advise the foreman concerning something which he thinks is in violation of the contract.

    b. The foreman needs to be just as informed about the contract as the steward, so that an equal footing is had when such matters are discussed.

3. Responsibility for managing and supervising the department is never shared with the steward, and the steward has no right to tell a worker what to do.

G. The general approach which the supervisor should take in regard to labor relations is to become as well informed on these matters as possible--this information will be needed for the job the supervisor will be expected to do.

X. Laws Affecting Terms and Conditions of Work

A. In addition to those laws previously discussed in reference to labor-management relations, there are important laws used in maintaining conditions which meet legal requirements.

B. Federal Wage and Hour Law (Fair Labor Standards)

1. This law regulates methods of wage payment and hours of work for any company engaged in interstate commerce; (commerce between two or more states).

2. This law restricts the employment of children over 14 and under 16 to non-manufacturing and non-mining jobs.

3. Children under 18 years of age are restricted by the law from taking employment in a hazardous job, as defined by the law.

4. The law sets a minimum wage; $1.24 per hour since September 3, 1963, and prescribes that time and one-half must be paid for all hours worked over eight hours a day and 40 hours a week.

C. Walsh-Healey Public Contracts Act

1. This act sets the conditions for any company which works under government contract.

2. Boys under 16 years of age cannot be hired; girls under 18 years of age cannot be hired.

3. Time and one-half rates must be paid for work in excess of eight hours per day and 40 hours per week.

4. The act also sets standards for working conditions, and establishes a minimum wage for a particular industry.

XI. Labor Unions in Louisiana

A. History

The history of labor unions in Louisiana paralleled to some degree the labor movement on the national level. Of course, labor unions did not come to Louisiana as soon as they did to the eastern manufacturing centers. The reason for this is apparent when the economic make-up of the State is compared to other regions of the country during the period of colonization. As factories sprang up along the eastern coast of the United States where labor was plentiful and available water power to run the machines was ample, the South, including Louisiana, turned to an agricultural economy. Because of this predominant economic base built upon agriculture, the early union movements which drew membership in New York, Philadelphia, Boston, Pittsburgh, and other eastern cities, did not find groups of factory workers in Louisiana to enlist.

As there developed some metropolitan centers in Louisiana after the Civil War, national unions came in to organize the workers in the infant industries. The A. F. of L. and the Railway Brotherhoods were forerunners in the organization of local unions. The local unions organized were in the larger cities and towns of the State, as the possibility of securing union members from the agricultural ranks was not feasible. Even today, the agricultural labor force of Louisiana is approximately 10 per cent. Early unions which were organized in the State were affiliated with national and international unions. Such unions as the International Typographical Union, Street, Electric Railway and Motor Coach Employees of America, Maritime Union of America, Horseshoers of the U. S. and Canada, International Union of Journeymen, etc. were some of the early unions noted in the State.

It must be stated that all of the incidents occurring within the A. F. of L. federation, the formation of the C.I.O., and the subsequent merger of the A.F.L.-C.I.O. had the same effects in the State as in other areas where the federations had membership.

B. A.F.L.-C.I.O. Structure in Louisiana

This federation is well represented by Louisiana locals and their membership. There are approximately 130,000 members in the A.F.L.-C.I.O. structure in Louisiana; these members belong to approximately 800 local unions which are affiliated with national and international unions.

THE STRUCTURE OF THE A.F.L.-C.I.O. IN LOUISIANA HAS BEEN PREPARED IN CHART FORM. THIS WILL BE GIVEN IN HANDOUT 16.

*** Handout 16 ***

As noted in the chart, Louisiana workers are members of the A.F.L.-C.I.O. only through the local and national unions to which he belongs. Membership of Louisiana workers in the city central bodies, city building trades councils and the state council is based upon membership in the national unions. The city centrals function as agencies to advance the position of organized labor in the various communities. They are oftentimes active in local political affairs and seek labor representation on the local level.

The top A.F.L.-C.I.O. organization within the state is the Louisiana State Labor Council. This body resulted from the merger of the Louisiana State Federation of Labor, A.F.L., and the Louisiana State Industrial Union Council, C.I.O. in 1956. Offices are maintained in Shreveport and Baton Rouge for the Council; however, the headquarters are in Baton Rouge. The functions of the Louisiana State Labor Council are political and educational and does much in the lobbying of legislation favorable to labor in the state legislature. The Louisiana State Labor Council is represented on Handout 15, "Structural Organization of the A.F.L.-C.I.O." in the section--State Federations. It is well to note that 85 per cent of those persons holding membership in unions in Louisiana are with unions affiliated with the A.F.L.-C.I.O. Federation.

C. Independent Unions in Louisiana

In contrast to the A.F.L.-C.I.O. federation, membership in the independent unions in Louisiana is not large. In fact, it constitutes only about 15 per cent of the total union membership in the State. Of course, there are represented in Louisiana independent national union organizations, independent federations, and independent locals. Some of the independent nationals include: Railway Brotherhoods, United Mine Workers of America, International Longshoremen's Association, and others. There are three independent federations--Confederated Unions of America, the Engineers and Scientists of America, and the National Independent Union Council. There are approximately 25 independent local unions in the State located primarily in New Orleans, Baton Rouge, Lake Charles, Shreveport, and Bogalusa; representing such workers as bus drivers, oil refinery employees, sugar company personnel, marine engineers and pilots, and longshoremen.

D. Union Membership in Louisiana Industries

There are three basic groups in Louisiana which provide the basic source of labor union membership. These groups are: (1) manufacturing, (2) non-manufacturing, and (3) government. These groups, of course, exclude agricultural employment. In Louisiana, approximately 25 per cent of workers are engaged in manufacturing activities, while the national average is approximately 30 per cent engaged in manufacturing jobs. The distribution of employment in Louisiana by groups as given above is: manufacturing, 25 per cent; non-manufacturing, 60 per cent; government, 15 per cent.

When the distribution of union membership is looked at in these three groups, however, it is found that it is not in the same proportion as the distribution of workers. Union membership among the groups is: manufacturing, 35 per cent; non-manufacturing, 60 per cent; and government, 5 per cent. The non-manufacturing group includes construction, transportation, public utilities, wholesale and retail trade, finance and real estate, and mining. The bulk of the union membership found in the government group is accounted for by post office workers. It will be noted that 15 per cent of workers in Louisiana are employed in the government group, but this group (government) comprises only five per cent of total union membership. The absence of union membership is because state and city employees do not belong to unions; also, the large number of teachers in Louisiana for the most part do not belong to unions, although there is a small number of teachers who belong to unions in the metropolitan areas.

E. Distribution of Union Membership in Louisiana

There are six metropolitan areas of Louisiana in which union membership is concentrated. These areas are: New Orleans, Baton Rouge, Lake Charles, Alexandria, Shreveport, and Monroe. These six areas comprise only nine of the State's 64 parishes. The A.F.L.-C.I.O. Federation accounts for most of the membership in the metropolitan centers, although independent unions are also present in the areas. There are some unions located in Louisiana in the smaller cities and towns; Bogalusa has over half its non-agricultural employment represented by union membership making it the most highly unionized city in the state. Although New Orleans has the largest number of union members, this accounts for only about 25 per cent of its total non-agricultural workers.

The early labor movement in Louisiana which witnessed beginnings in the metropolitan areas still seems to be confined to this pattern. However, it is now noticeable that with the heavy industrialization of the Louisiana Gulf Coast and the area along the Mississippi River between Baton Rouge and New Orleans, this present picture may change. Many of the industries establishing plants in these areas have had histories of union activities and it is expected these will continue.

F. Political Activity of Unions in Louisiana

Just as the national unions and federations have as one of their objectives the using of political influence and pressure to secure legislation favorable to their cause, this same procedure has been carried on in Louisiana. Perhaps the most controversial issue in recent years in which unions in the state have brought political pressure concerns the "Right-to-Work" law. When the Taft-Hartley Act was passed in 1947, one section of this act permitted the union shop in states which did not have laws against it. This section of the Taft-Hartley Act led to a wave of state right-to-work laws, which made it illegal for an employer to require a worker to join a union as a condition of employment. This right-to-work law provision led to bitter controversies in many of the states--Louisiana was no exception. In the 1954 legislative session in Louisiana, the "Right-to-Work" issue became an important matter; the A.F.L.-C.I.O. in Louisiana stated that it spent over $100,000 in a public relations and lobbying campaign to defeat the measure. However, the "Right-to-Work" measure did become a law on the books--an occurrence which labor unions in the State say came about because the Manufacturers' Association had much influence in electing the legislature.

As a result of the passage of this legislation, the positions of unions in the state were weakened considerably when workers did not have to join unions in companies which in the past required membership. This was hailed as a great victory for anti-labor forces who could see the defensive situation this put the union in.

The American Federation of Labor and the CIO State Industrial Union Council in Louisiana began to take steps to bring about a repeal of this law. One of the first steps it took was an intensive registration campaign to qualify union members, their families and friends to vote. When the "Right-to-Work" law was passed in 1954, less than 25% of the union membership in the State was registered to vote; by 1956, 50% were registered to vote. Another measure which the unions took was to raise funds for lobbying and political purposes. The unions raised over $100,000 between 1954 and 1956; with some locals levying direct assessments on members, while other locals took funds from the union treasury. In the 1956 state elections, 22 senators elected out of 39, pledged to repeal the "Right-to-Work" law; 51 of the 101 members of the House who were elected had also made pledges to vote for the repeal of the law. As a result, the Louisiana Legislature in June, 1956 voted and passed a measure for the repeal of the "Right-to-Work" law. On June 21, 1956, the Governor signed the repeal into law; making Louisiana the first southern state to effect a repeal.

Unions in Louisiana have been active in other political issues. They have lobbyed for increased unemployment insurance benefits and other worker benefits.

General Outlook

The general outlook for union activity in Louisiana is that it will continue to increase with the movement of industries to the State from other sections of the country. Since unions in the State which now exist are closely tied in with national federations, much of what will come about will be the result of the nationwide union activities. Whatever the results may be, the objectives of both the employer and the union must be directed toward peaceful solutions to labor relations problems and let collective bargaining function in the manner it should.

(Because of the large volume of material presented in this session, time may not permit a summarization; however, if there is any time remaining, take questions which the trainees may have.

Before closing the meeting, announce the topic for Session V, "Leadership.")

SESSION V

LEADERSHIP

I. Objectives for Session V

   A. (These objectives may be charted before the session begins for convenience and a saving of time.)

Objectives

1. To point out how effective leadership is related to good supervision
2. To study theories, types, and patterns of leadership
3. To make a self-analysis of each supervisor for leadership qualities
4. To note carefully how supervision, leadership, and productivity form close relationships

II. Importance of Leadership

   A. The importance of leadership qualities in individuals has been given close study by today's business and industrial executives.

      1. The new quality of leadership and supervision necessary in modern management is an essential element.

      2. No longer can it be said that the office boy in the company has an opportunity of becoming its president; more and more is required of persons today than just success in completing routine jobs.

      3. In days gone by, it was very likely that a person could rise from the lowest rung on the ladder to a position of importance in the company based solely on his ability to master successive routine jobs.

      4. In today's competitive world where technology and educational competence exist, more is needed in the person who is expected to lead than just a working knowledge of day-to-day activities.

5. Even though we have come through periods of great change in recent years, there seems to be periods ahead which will witness even greater changes--these changes will no doubt bring forth new demands and opportunities for supervisors who must possess broad leadership skills.

B. It has previously been noted that management is concerned with the organization of group activities and getting work done through a competent work force.

1. It can definitely be said that leadership has a great deal of effect upon group effort.

2. Group effort is the way by which accomplishments of the organization are made.

3. Whatever group activity is present, effective leadership is a requirement for motivating and giving direction.

4. The role of the leader in any group is primarily the responsibility for developing effective teamwork.

5. Because management now recognizes the necessity of obtaining desired results through organized group efforts, added emphasis is being placed on the human element as a role in leadership.

6. In many cases, even though the organizational structure of an enterprise may be basically weak, effective leadership can bring together individual activities within the group to the achievement of a goal.

III. What Leadership Is

A. The question now needs to be answered: "What is Leadership?"

(Have the trainees give what they believe to be the definition of "leadership." It would be good to chart these.)

B. There are many definitions for leadership which management experts give; however, a simple definition which defines the term adequately is:

> Leadership is the activity of inspiring others to follow and do willingly the work requested.

(Compare the contributions of the trainees with this one given. There is surely to be similarities; however, the key word in the definition should be "willingly.")

C. A point which is sometimes argued is: "Are good leaders born or made?"

   1. The question can be answered very easily.

   2. Most leaders are good leaders because they have worked hard to attain the characteristics of good leaders.

   3. This reasoning applies to the current situation of developing leaders for today's challenges; certainly leadership is an art that is and can be developed.

D. Leadership is present and is needed at all levels of management; it is needed just as badly at the lower levels of the organizational structure as at the top levels.

E. Leadership, of course, is not confined only to business--government, schools, hospitals, community organizations, and any group where individuals must be organized, leadership is needed.

   1. It is very evident that without a leader in any group, the actions of that group would become without direction, organization, or purpose.

F. The art of inspiring and leading people to do things willingly takes a great amount of skill and a deep understanding of human nature.

   1. This does not mean that the leader must be skilled in the principles of psychology, but it does mean he must understand and be able to use common sense reasoning based upon the principle that every person wants to be treated as an individual.

G. Leadership, as we know it today, is very often contrasted with the old-time tough foreman or supervisor who used fear as the chief means of motivating workers.

   1. IT WILL BE WELL TO LOOK AT A FEW OF THESE POINTS WHICH HAVE BEEN CONTRASTED BETWEEN THE LEADER AND THE OLD-TIME BOSS, USUALLY REFERRED TO AS THE "DRIVER."

   2. THIS IS PRESENTED IN THE HANDOUT WHICH WILL BE GIVEN YOU.

*** Handout 17 ***

(Read through and discuss the contrasts with trainees.)

3. Additional points which can be used in this discussion include:

    a. There were some conditions responsible for the "old boss" type of supervisors and foremen--the ones who drove their men instead of leading them; these were:

        aa. This type of supervision took place during an era of rugged individualism; conditions today are much different from the past.

        ab. There was a supply of cheap labor in the country at one time; this is no longer true with the rise in the standards of living and development of skilled workers.

        ac. The early factory system evolved into conditions which were very bad for the worker, the supervisor, and even top management.

        ad. In the early history of management concepts, there was no knowledge available of how to deal with people; especially so before the advent of scientific management and the Hawthorne Experiments.

    b. Those factors which contributed to the new type of leadership as represented by the right-hand side of the handout were:

        aa. Higher educational standards.

        ab. The rise of organized labor movements.

        ac. The passage of labor laws protecting the rights of the worker from abuse and economic threats.

        ad. Changes in the social and economic standards.

        ae. Advent of scientific management and the human relations aspects of management.

4. The days of the old time "boss" with the crude methods of handling workers have been replaced in most cases with effective leadership.

a. The use of threat and force in order to get workers to do something is not the trait of good leadership.

b. This does not mean that leaders do not take firm, positive action when necessary.

c. Nor, does this mean that the effective leader let part of his authority slip away from him to his subordinates.

d. The leader can be stern; use methods of discipline and still win the respect of the group he leads.

IV. Types of Leadership

A. There are usually considered to be three distinct types of leadership:

1. Autocratic Leadership
2. Democratic Leadership
3. Free-Rein Leadership

B. Autocratic Leadership -- In this type of leadership, the leader assumes full command and bears full responsibility for everything he does. The leader demands obedience from his workers in following his directives and seeks no advice or suggestions from his workers in getting the job done. He sets policy and procedures based upon what he thinks they should be.

C. Democratic Leadership -- In this type of leadership, the leader gets ideas and suggestions from the group he supervises. The spirit of teamwork is advocated with subordinates encouraged to take part in setting policies.

D. Free-Rein Leadership -- In this type of leadership, the leader assumes the role of "one of the group" and uses little control or direction in dealing with the group. He, more or less, lets things go as they will with the subordinates making many of the decisions necessary to further the progress of the work. He does provide the wide guides for action by the group.

E. Which Type of Leadership is the Best?

1. The question arises as to which type of leadership is the best to use.

2. Very often it is thought that the democratic type of leadership is the best to use; however, this is not always the case.

3. The truth of the matter is that all three types are the best to use; that is, each has advantages over the others in different situations.

4. Autocratic leadership, in certain situations, will be the most effective and successful, while democratic and free-rein would not be effective at all.

5. Free-rein leadership, in certain situations, will produce far more successful results than either the democratic or autocratic types of leadership.

6. Democratic leadership, also under the right conditions, will be more effective than either autocratic or free-rein leadership.

F. From the foregoing statements, it must be made clear that there is not "one best method or type" or leadership to use for all situations.

   1. It is the situation which the leader finds himself in and the types of persons he is dealing with which will be responsible for the type of leadership best to use.

   2. It must also be noted that the leader is not to be thought of as the democratic, or the autocratic, or the free-rein leader; rather, he should be identified with having all three of these types at his command to use as the situation demands.

   3. The typical supervisor may use all three types in his day-to-day activities; he must be able, however, to choose the appropriate type to get the action he desires.

      a. In some cases, he will consult with fellow-supervisors on matters relating to their mutual problems; if he assumes the leadership of the informal discussions, he certainly would not expect to be autocratic.

      b. If the supervisor has an assistant who needs only occasional help or direction, a democratic type of leadership would get the best results with this assistant.

      c. The supervisor must be autocratic, if for example, a rather stubborn type of worker is told to do a certain job.

4. Because the leader must choose appropriate types of leadership to use in certain situations or in dealing with certain types of persons, it is well to discuss some of these items which give indications as to the type to be used.

V. Use of Types of Leadership

   A. Personality of Followers

      1. Perhaps the most important characteristic which dictates the type of leadership which should be used is the personality of the subordinate.

      2. There is a strong relationship between leadership methods and types of personality of subordinates.

      3. The hostile, stubborn type of person must be dealt with in a stern manner; therefore, the use of any other type of leadership than the autocratic would be very ineffective.

         a. The hostile individual would have little to contribute if allowed free-rein leadership; in fact, such an individual can do much harm to a group, if allowed to have too much freedom of action.

      4. The individual who tends to lack the capacity to make decisions or act for himself would also do better with the autocratic type of leadership.

         a. Such an individual finds assurance in authority and firmness.

      5. The person who can do his best work when given only minimum direction and supervision would do better under the free-rein type of leadership.

         a. When a person can work alone, can produce more when he's on his own, and requires little supervision does better when he's allowed to work at his own pace.

         b. Such a person, if autocratic leadership is applied, would in all probability slow down considerably because limitations have been placed on his capacity to produce.

      6. A person who gets along well with the group and who is interested in contributing what he can toward the work goal must be placed under the democratic type of leadership to get the best results from such an individual.

a. Persons who are co-operative and who want to do all they can toward contributing their share to the work load will make many suggestions and recommendations to the leader that can be useful.

b. Some subordinates can and do contribute much to assisting the leader in getting the work done in the most efficient and effective manner; not taking advantage of these suggestions does not make for good democratic leadership.

B. Job Knowledge

1. The knowledge of the job by the worker or by the person being dealt with by the leader relates very much to the type of leadership which is to be used.

2. If the worker has technical knowledge of the job being performed, the democratic method would be used by the leader.

   a. Very often, a worker is more familiar with the details of the job than the supervisor; for this reason, the worker's suggestions or recommendations for planning work activities can be extremely helpful.

   b. Leaders can learn much from their followers and the opportunity for learning by leaders from workers who know what they are doing should not be passed up.

   c. The leader who assumes the autocratic type of leadership in certain situations causes excess time to be consumed or costly errors to be made because he doesn't have the job know-how and refuses to listen to advice from his subordinates.

3. When the leader is dealing with new workers who do not possess the necessary knowledge initially to do the job, he must use autocratic leadership--the other two types would result in a disorganized group action that had no real purpose.

   a. In training situations as well, where workers are there to gain certain information, the autocratic leadership type must be used.

4. When persons of equal rank in the organizational structure get together to work out the solutions to problems concerning the group, the person

serving as leader for the group cannot be autocratic; he must be democratic by allowing those with just as much job knowledge as he has to contribute to mapping the course of action.

C. Situation

1. The particular type of situation the leader finds himself in will indicate the type of leadership to be used.

2. For example, in times of emergency, autocratic leadership must be used.

    a. Person must be told what to do quickly.

    b. There are no opportunities for getting reactions from the group, as time and speed are of the essence.

3. In routine matters of work, the leader will direct certain orders to subordinates as a matter of speeding up normal work schedules; such situations call for direct orders using autocratic leadership.

    a. There are many routine matters which the supervisor must direct workers to do and such matters are not open to suggestions or discussion from the subordinates.

4. In situations, however, where there may be a problem to solve, the leader then wants to have subordinates to help solve it and will then use the democratic leadership type.

    a. There are, of course, some problems which subordinates can not contribute toward solving; such would not be subject to the democratic approach.

    b. In such situations of problem solving, especially where persons of the same job status are involved, a free-rein or democratic process is best to use.

D. Type of Group

1. It is possible to identify groups which have certain characteristics as certain group types.

    a. Certainly, in every group there are some individuals who do not have the same make-up as the majority.

   b. The majority of persons in the group which exhibits certain characteristics identifies the group as a whole with these qualities.

2. A group that is untrained or not well disciplined cannot function well under democratic leadership.

   a. Just as the individual who is not disciplined, a group can be wholly undisciplined and disorganized.

   b. A firm control is necessary with this type of group and such firm control is found only in the autocratic type of leadership.

   c. Rigid directions and supervision in such cases must be exercised until the group becomes disciplined and organized into a productive unit.

3. A group made up of professional persons represents just the opposite from the untrained and undisciplined group.

   a. Persons in such a group are well trained, are competent in their respective fields, and if they weren't good leaders in their own right, they would have never attained professional rank.

   b. When such a group of professional persons has an objective to complete, the only types of leadership which can be used and still retain all the characteristics of good human relations, are the democratic or free-rein types.

   c. The leader of a group of persons who have professional standing does not have to provide a great deal of guidance.

   d. Only occasional conferences are needed by the leader to bring up to date the accomplishments made by the individuals.

4. In a group of persons who work well together, the democratic type of leadership is to be used.

   a. Where persons within the group understand the work of the other, have little or no misunderstandings, communicate freely among themselves and with the supervisor, and who try to settle their own problems, the democratic type of leadership is bound to succeed.

b. In a group of this type, the democratic type of leadership tends to make the best use of the brainpower which the group possesses.

c. Also, the democratic type of leadership in such a group brings out the best capabilities of the individuals within the group.

VI. Flexibility of Leadership Types

A. As has been pointed out, the successful leader must master the use of all three types of leadership--autocratic, democratic, and free-rein.

B. The job of the leader is to be able to shift techniques effectively to meet the needs of changing situations, problems, and workers within the group.

1. There must be flexibility in the use of the types of leadership, and this flexibility must be mastered so that there is never a question in the mind of the leader that he must fit a choice of technique to the situation at hand.

2. Certainly, there will be times when the leader may have some doubt as to what technique to use in a particular situation.

3. However, by applying a conscientious effort to evaluate each experience encountered, the mastery of type to use will become easier.

C. It must be stated in conclusion that leadership is an art and skill which can be developed.

1. Good leaders are not just endowed with leadership abilities, they must through hard and diligent work acquire such.

2. There must, however, be that desire present to want to learn to be a good leader before a person ever has a chance to become a good leader.

VII. Patterns of Leadership Behavior

A. There are several patterns of leadership behavior which relate to the types of leadership to be used in certain situations.

1. These patterns are based on the functions of the leader rather than an identification of the type or kind of person.

a. It can be easily seen from the foregoing material presented that it is not so much what makes a good leader or the personality factors of a good leader, as what the effective leader does.

b. Also, it must be remembered that a leader is responsible for group action and that his relationships with the group are of the utmost importance.

2. The leader of any group has certain powers which will affect the outcome of group action; it is the use of this power which will determine the effectiveness of the leader.

3. Some leaders feel that the group should share in the power of the leader, thus resulting in having the group contribute to the decision making of the leader.

4. Other leaders feel that they should handle most of the power, thus resulting in little freedom for decision making of the group.

B. Where the leader has certain choices in the leadership patterns he chooses, he still must be concerned with the principle of flexibility; the patterns which are normally used include:

1. Telling
2. Selling
3. Testing
4. Consulting
5. Joining

C. Telling -- this type of leadership pattern is based on the leader's decision to simply tell the members within the group what to do and does not consider having them participate in any way in the activities of the leader.

D. Selling -- This pattern of behavior is used by the leader when he wants to use persuasion in getting the group to accept his decision.

1. The leader, many times for psychological reasons, may want to convince his group of the advantages of the idea or plan he wants to put into effect.

2. If the group is sold on what the leader advocates, the job of implementing these ideas or plans will not be near as difficult as if the group is simply given instructions.

E. Testing -- In this behavior pattern, the leader is desirous of getting his group's reaction to solutions to a certain problem.

   1. He presents the solutions to them and gets their reaction on which they believe to be the best.

   2. This brings into play the democratic process.

   3. After the leader gets the reactions of the group, he will be able to know which of his solutions will be the best received by the group.

F. Consulting -- In this behavior pattern, the leader has a certain problem to solve, but instead of mapping out solutions himself, he gets the group to give their ideas *for solution*.

   1. He then can choose the best one presented by the group.

G. Joining -- The leader here simply joins in with the members of the group in seeking solutions to problems pending and agrees in advance that whatever decision the group makes will be the one carried out.

   1. This pattern works better with professional persons, or persons who have equal rank in the organization.

H. Influences on Patterns of Leadership Behavior

   1. There are many influences which will determine which of the patterns of leadership behavior will be used.

   2. These influences are found in:

      a. The leader

      b. The group

      c. The situation

   3. First, looking at the influences in the leader himself and how these will decide which pattern will be followed:

      a. If the leader has a great amount of confidence and trust in the members of his group, he is apt to use one type of pattern; on the other hand, if he distrusts his group or feels they are limited in their capabilities, he will use another.

b. Of course, it must be pointed out that the confidence he shows in his group may or may not be justifiable.

c. Also, leaders show a tendency to differ greatly in the amount of trust and confidence they place in their workers.

d. There are some leaders who tend to have their own ideas about what the leader is supposed to do; some do not believe in sharing their functions with members of the group, while others believe in sharing leadership with the group.

e. Many leaders have the feeling of wanting a certain amount of security in the jobs being done; and consequently are more inclined to "tell" or "sell" than to "consult."

f. In conclusion to the influence that the leader has in the pattern used, it must be remembered that the leader has certain ideas and ways peculiar only to himself and much of what he will do will be related to these inherent beliefs.

4. Next, the influence of the group will be discussed:

   a. The leader knows that each member of the group is an individual; that each individual has perhaps a different type personality make-up.

   b. Also, the leader knows that each member of the group has certain beliefs and ideas, just as he does himself.

   c. The leader, who can understand his group better, can use the type of behavior pattern which will produce the best results.

   d. The patterns of "consulting" and "joining" can be used when:

      aa. The members of the group are ready to assume responsibility for decision making.

      ab. The members have the knowledge and experience to deal with the problem.

            - ac. The members of the group can tackle the challenges given with only a minimum amount of direction and guidance.
        - e. When the conditions do not exist as just enumerated, the leader must then use the "telling" and "selling" techniques.

    5. The situation has influence as to the type of leadership behavior that will be used.
        - a. The pressure of time is very often a common occurrence which makes it necessary that the leader use a high degree of authority by "telling."
        - b. If the problem is of a complicated nature, such as that which is beyond the knowledge requirements of the workers, then he cannot expect to use the pattern of "consulting."
        - c. On the other hand, if a problem exists whereby persons in the work force have the knowledge to contribute to solving the problem, then it is expected that the "consulting" pattern could be used.
        - d. The type of organizational structure will influence the type of leadership--for example, the size of the departments or work units may require the leader to exercise more control or less control as the situation may be.
            - aa. Large work units under the control of a supervisor usually require tighter controls than if he were in charge of a small and unified group.

    6. Even though the leader is influenced by the three factors discussed, he must continually strive to keep in mind the objectives which he is leading his group toward.
        - a. The manner in which he reaches these goals and develops his group while leading it will determine the effectiveness of the leadership behavior patterns used.

VIII. Leadership Characteristics

- A. It has been pointed out rather vividly that every organization and every organized effort needs managerial techniques and leadership.

B. The leader's success in any endeavor depends upon the influence he is able to exert upon the people whom he leads.

C. There are some broad characteristics which a leader must possess; these are:

  1. The leader must have the ability to analyze a problem, or a situation, or a set of circumstances and arrive at a satisfactory conclusion.

  2. The leader must have the ability to select and assign people properly in the organization.

  3. The leader must have the ability to make the organization function by transmitting to those in the group the objectives of the organization and get these objectives accepted by the group.

D. Leadership is interested in how people can be brought together to work together for a common end so that the individuals may better share in realizing group accomplishments.

E. Qualifications for Leadership

  1. What are the qualifications for leadership?

    a. Certainly there are qualifications which leaders must possess and these are summarized in Handout 18.

    *** Handout 18 ***

    (Discuss these qualifications listed on Handout 18 with trainees.)

F. The Importance of Teamwork

  1. Closely related to leadership is teamwork, as leadership must promote teamwork.

  2. Even though teamwork is required in every progressive organization, this does not mean that there should not be room for individual initiative on the part of individuals in the group.

  3. The leader, in the interest of teamwork, must many times subordinate his personal desires to the interest of the group.

    a. If the group is not ready to move in a certain direction, the leader may have to adjust his plans for action.

b. Certainly, the members of a group need the support of the leader; however, the leader needs the support of the group just as well.

4. A supervisor's success as a leader depends to a great extent upon his success in developing the leaders under him.

    a. These are the people whom the leader comes to rely upon and the people who will be developed into leaders within the organization in their own right.

G. The Leader's Philosophy of Growth

1. The leader must have certain beliefs of growth for for himself, his workers, and the entire organization.

2. The growth factor is important, as every organization must grow and progress if it is to compete favorably with others.

3. There should never be a question as to the growth pattern which the leader becomes responsible for, as actually this is a part of the leader's make-up.

4. The real key to the leader's philosophy of growth lies in his belief that his organization and his group are to grow and develop; this belief must be real and sincere, because if not, the leader can never hope to fulfill any ambitions which he may only think he believes in.

5. The job of the leader is a difficult one, but there are rewards which go to the person who develops and continues to exhibit leadership characteristics.

    a. There is increased prestige and status; but the feeling of personal accomplishment is perhaps the greatest reward of all.

6. The leader who plans for personal growth as a leader knows what he wants to accomplish--at the present time and in the future.

    a. The formulation of such a plan unifies the leader's thinking on what is to be accomplished and in what manner.

    b. The leader is important in this phase of his job, not because of his own production, but because he leads people toward their objectives--objectives that must be channeled toward an over-all, planned result.

H. Self Analysis of Leadership

1. How can an individual measure his leadership abilities?

2. Without an evaluation of actual conduct in dealing with people and situations encountered, a self-appraisal analysis is probably the best way.

3. SUPPOSE YOU WERE ASKED TO MAKE A SELF-APPRAISAL OF YOUR LEADERSHIP ABILITIES, WHAT WOULD BE YOUR REACTION?

   a. LET'S GO THROUGH A SIMPLE SELF-APPRAISAL OF LEADERSHIP QUALITIES; THIS WILL ENABLE YOU TO JUDGE FOR YOURSELF JUST WHERE YOUR WEAKNESSES LIE AND HOW THESE CAN BE STRENGTHENED.

   b. REMEMBER, THIS LEADERSHIP INVENTORY WILL BE FOR YOUR PERSONAL USE ONLY AND WILL NOT BE TURNED IN, OR SHOWN TO OTHER MEMBERS OF THE CLASS.

   c. I SHALL NOW GIVE YOU THIS LEADERSHIP SELF-APPRAISAL TEST SHEET; READ THE INSTRUCTIONS AT THE TOP OF THE PAGE, BUT GO NO FURTHER.

   *** Handout 19 ***

   (Give each trainee a copy of Handout 19 and permit them time to read the instructions.)

   d. ARE THERE ANY QUESTIONS BEFORE WE BEGIN?

      (Answer any questions raised.)

   e. YOU MAY NOW PROCEED WITH THE SELF-APPRAISAL TEST; REMEMBER THAT NOBODY BUT YOU WILL SEE THE RESULTS, SO BE HONEST WITH YOURSELF AND AS OBJECTIVE AS POSSIBLE.

      (Permit necessary time for all trainees to complete the test.)

   f. FIGURE YOUR SCORE IN THIS MANNER:

      FOR EVERY "YES" ANSWER, GIVE YOURSELF 2 POINTS FOR EVERY "SOMETIMES" ANSWER, GIVE YOURSELF 1 POINT FOR EVERY "NO" ANSWER GIVE YOURSELF 0 POINTS

      NOW, ADD THE SCORES FOR EACH QUESTION TO GET YOUR TOTAL SCORE FOR THE TEST.

(Allow time for this.)

g. NOW LET'S EVALUATE THE TOTAL SCORE:

Score Range	Interpretation
0 - 5	Superior leadership qualities
6 - 10	Average--some improvement necessary
Over 10	Weak leadership qualities; much improvement needed.

(There will probably be some discussion among trainees after the score ranges and interpretation are charted. If there is worthwhile discussion, or questions which trainees would like to ask, take time for such.

Point out to trainees that the appraisal test certainly is not to be considered 100 per cent valid in every case; that there is substantial chance of scores being made which deviate from the interpretations given because of the human factor. It is never possible to evaluate precisely qualities which relate to the human efforts, ideas, and personality.

However, the test is a fairly good indication of the measurement of leadership qualities. Indicate to trainees that they should strive to improve any weaknesses scored on the test.)

IX. Responsibilities of Leadership

A. Leaders must carry certain responsibilities in view of the big job which they do.

1. Leaders are identified with the group or company which they belong to; therefore, the impression which they present must be favorable at all times and of the highest professional caliber.

2. A leader cannot be one type of person on the job or when he is working with the group and then become an entirely different individual when he is somewhere else.

a. The high qualities of leadership cannot be cast off whenever the leader feels that he doesn't have to present a "good front," but must always be present irregardless of where the leader may be, or what he may be doing.

B. A large responsibility of the leader is to motivate the members of his group and keep them as contented and productive as possible.

1. More will be said about this motivation responsibility later in the session.

C. Other key responsibilities which the leader has include:

1. Responsibility to his group for fair and impartial treatment of all members.

2. Responsibility to his group for a fair assignment of duties and work assignments.

3. Responsibility to his group that there is no disorder or serious personnel conflicts within the group.

4. Responsibility to his group that its individual members receive their rights and privileges accorded by the policy, rules, and regulations of the company.

5. Responsibility to management that the group is productive and meets its production schedule.

6. Responsibility to management that the group shows loyalty to management and the company.

7. Responsibility to management that communications downward and upward flow in free channels through his department.

8. Responsibility to management that rules, orders, instructions, etc. are carried out.

9. Responsibility to management that co-operation with fellow supervisors and department heads is in effect.

10. Responsibility to individual members of his group that he will strive for their personal development and growth.

X. Human Relations and Leadership

A. The area of human relations and leadership go hand-in-hand.

1. Every organization depends upon human beings and there is not any phase of work which is not affected by people.

2. Sooner or later every relationship, every problem, and every decision involves the human element.

3. The function of leadership has to be accomplished through people, and all the things which the leader does must affect people.

B. There is a great amount of material available in the field of human relations; textbooks, publications, studies, etc.

1. At the University of Michigan at Ann Arbor, Michigan there has been established the Foundation For Research on Human Behavior.

2. This Foundation For Research on Human Behavior conducts various studies in the field of human relations; these studies are published and are available at moderate prices.

3. The Foundation also conducts seminars and study sessions for management personnel who are concerned with assessing their organization's performance with behavioral measurements of its people.

C. Some of the principles of effective human relations which the Foundation For Research on Human Behavior and other sources have advocated may be summarized in several major categories.

1. These principles of human relations must be understood and used by the leader if he is to be a successful one.

2. THESE PRINCIPLES OF EFFECTIVE HUMAN RELATIONS HAVE BEEN SUMMARIZED IN HANDOUT 20.

*** Handout 20 ***

(Read through the principles with trainees. Take any questions which may be asked.)

XI. Leadership and Productivity

A. Leadership in management holds the key to increased productivity; and, of course, increased production is a factor which must be dealt with.

1. No company can long compete in the open market unless it can solve its problems of production--the problems of improving machines, materials, and methods.

2. In order to solve these problems, management must have the support of its workers--this is where the leader comes into the picture.

3. The leader has more to do with the effectiveness of the work group than any other factor.

    a. He is at the point of action as he is with the people who do the work.

B. High productivity reflects good supervision and leadership

1. High productivity is important to the supervisor because:

    a. The efficient use of employee ability and energy is one of the major responsibilities of the supervisor.

    b. Management judges a supervisor largely in terms of the productivity of his unit.

    c. A good work unit can be developed which will attract and hold good workers.

    d. There is a feeling of pride and personal satisfaction when workers do well.

    e. A supervisor's chance for advancement will be judged a great deal on his ability to get good work done through his workers.

2. Obtaining High Productivity

    a. Obtaining high productivity is a matter of good management which displays leadership qualities.

    b. The way in which the work is planned, how subordinates are supervised, how materials and equipment are used, and how efficiently the factors of production are utilized determine productivity standards.

3. As a leader, high productivity can be obtained from the work group by:

    a. Helping workers build their skills through training

b. Allowing workers to participate in the planning of their work

c. Giving the more experienced workers the more important assignments

d. Giving recognition for work well done

e. Allowing some employees to become informal leaders of the group; thus utilizing leadership qualities of the subordinates

f. Setting of work goals which are realistic and attainable

g. Allowing workers to participate in the setting of realistic work goals

h. Organizing all elements of the department to meet production schedules

i. Planning and scheduling the flow of work

j. Co-ordinating the activities of the department with others in the company

k. Controlling costs and eliminating unnecessary operations

l. Promoting safe working conditions

m. Assigning and distributing work on a pre-arranged plan

n. Communicating clearly with workers

o. Setting a good example himself for others to follow

4. The foregoing principles and methods of increasing productivity through better supervision and leadership qualities are good to know and every leader needs to have a working knowledge of them as they apply to his particular situation.

5. Of more importance, however, is that every supervisor must consider how these can be put into effect; that is, the using of them will give the answer of how well the supervisor knows them.

   a. It has been pointed out many times in this session that there are many types of leadership; what the results will be from the use of each will depend upon how each is used and under what conditions and circumstances.

b. The same holds true for productivity--productivity depends greatly upon how the supervisor will use his tools of leadership in work he is responsible for.

XII. Leadership and Motivation

A. There are many things which can be used to motivate workers in the jobs they are doing.

1. The knowledge of motivation is of prime concern to the leader who must know how to stimulate his group to standards necessary to meet their obligations.

B. Usually, motivating factors include:

1. Good salary or wages
2. Good working conditions
3. Fringe benefits
4. Good management-employee relations
5. Recognition of good work
6. Job security
7. Impartial treatment
8. Opportunity to grow in job
9. Physical safety
10. Favorable work schedules

C. In regard to the foregoing items, the supervisor has no control over many of the items as they are set by top management.

1. There are some of these, however, which the supervisor becomes involved in and does have an opportunity to affect.

2. The use of leadership qualities can have a decided effect upon the results obtained from the use of motivating factors.

D. In studies conducted concerning motivating factors, it has been discovered that "more money" is not the chief incentive or major desire of most employees and it is not this item which motivates workers the most.

1. Wages are an important item, but it alone does not constitute what employees want most in their jobs.

    a. By providing or attempting to provide some of the things wanted most by workers, the job of motivating them to do their best work is much easier.

    b. It is also surprising to know that many of these motivating factors do not include material advantages, but concern the relations between the supervisor and the worker.

2. Basically workers want:

    a. Recognition for work which they perform which is of outstanding quality or quantity.

    b. To be consulted about things which affect them.

    c. Enjoyment in the work they are doing.

    d. Good working conditions which are clean and safe.

    e. A salary or wage which will give them financial security.

    f. Opportunities to talk things over--to suggest improvements, to share in making decisions, and the discussion of grievances.

3. It can be seen that the effective leader has many opportunities for motivating workers by his sincere desire to meet the basic wants of workers.

    a. As pointed out, most of these wants are non-financial and most of them are within the limits of authority which the supervisor possesses.

    b. An interested and satisfied worker is the type desired; but unless such worker has some of his basic wants satisfied, it will be impossible to motivate such a worker.

4. When the workers are highly motivated through the satisfaction of their basic wants, many good results to the supervisor and to the company are noted:

    a. Productivity rises

    b. Labor unit costs are lowered

- c. Fewer grievances from workers arise
- d. Less labor turnover
- e. Fewer accidents
- f. Better management-employee relationships

XIII. Management vs. Leadership

- A. Management is concerned with operation while leadership is a function.
- B. Management is concerned with:
  - 1. Delegating responsibility and authority
  - 2. Co-ordinating, planning, accounting
  - 3. Establishing organizational structure
  - 4. Supervising
  - 5. The economics of production and marketing
- C. Leadership is concerned with:
  - 1. Developing morale
  - 2. Motivating those in the work group
  - 3. Developing a keen understanding of human relations
  - 4. Developing aims and purposes
  - 5. Striving to bring the whole enterprise into harmony with teamwork
- D. The function of management is not easy; nor is the function of leadership.
  - 1. The leader, as we have seen, is important in the function of management because he leads people toward their objectives.
    - a. These objectives must be guided by leadership toward an over-all, planned result as established by management.
    - b. Oftentimes, the ability to administer, lead, or manage is not rated or considered as important as it really is.
    - c. Leadership ability is important--a commodity which competent management is willing to pay the price for.

d. There is no doubt that leadership will be needed in even increasing amounts in the future to meet the needs and challenges of tomorrow's times.

XIV. Visual Aid in Leadership

(The visual aid recommended for this Session is:

35 mm. Sound Filmstrip

Title: McGraw-Hill Sound Filmstrip Series on "Supervisory Problems in the Plant"

This film series contains several cases; the case to be used here is:

Case No. 3 -- "The Case of Tim's Three Choices" -- (Leadership)

This case deals with all three types of leadership discussed: (1) autocratic, (2) democratic, (3) free rein.

Showing time for the sound filmstrip is less than five minutes; however, because the nature of the filmstrip is the solving of a provlem in leadership type, much discussion from the trainees will follow; therefore, time to allow for about 15 minutes of discussion should be arranged.

It is suggested that the Leader's Manual which accompanies the series of filmstrips be reviewed before the session. If you have not worked with filmed cases before, it is recommended that the Leader's Manual be studied thoroughly, especially that beginning section which gives recommendations on how to use the filmstrips and conduct the discussion.

The filmstrip, Case No. 3, "Tim's Three Choices," of the McGraw Hill Sound Filmstrip series on "Supervisory Problems in the Plant" may be purchased from Text-Film Department; McGraw Hill Book Company, Inc.; 330 West Forty-Second Street; New York, New York.

Show the sound filmstrip. Use the Leader's Manual as a guide in the discussion which will follow. Before the discussion ends, make sure that the problem cited in the film has been given some workable solutions.)

(The visual aid concludes the fifth and last session of "Introduction to Management.")

XV. Closing the Conference

A. (Briefly summarize the contents of the five sessions; this can be done by referring to Handout I which contains the session titles and objectives for each session.)

B. (Answer any questions which may be asked by trainees concerning the brief summarization.)

C. (Thank the members of the group for their participation in the discussions; their interest shown and the co-operation given.)

D. (Remind the trainees that the handout sheets and the notes which they took during the sessions will serve as valuable reference material when they get back to their respective jobs and want to put some of this to use.)

E. (Also, remind trainees that much of the material presented constituted basic management principles which apply to any organization or company and that by putting such to use will improve greatly their effectiveness of supervision.)

F. (_If_ certificates are to be presented and if such is planned for this final session; certificates should now be presented.

_If_ certificates are to be presented at a later time, give whatever information is necessary for the trainees to know concerning this.

In either case, if certificates are to be awarded, have a management representative of the company for which the training was given, present the certificates to the trainees.)

G. (Thank the trainees again for the part they played in the training conference; adjourn.)

Introduction to Management

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HANDOUT 1

COURSE CONTENTS

Session I History of Management

Objectives:
- To trace briefly the history of management
- To relate the history of management to current management concepts
- To study the work of Frederick W. Taylor, the areas of scientific management, and evolution of such
- To examine current management practices and procedures

Session II Organizational Structure

Objectives:
- To study types of business organizations; legal aspects, and control
- To study organization types and their functions
- To study departmentation and functions of departments
- To present a clear understanding of department relationships within the organization

Session III Major Responsibilities of Management

Objectives:
- To make an intensive study of management responsibilities--planning, organizing, directing, controlling, coordinating
- To study relationships between management responsibilities and the organization's objectives
- To note the effectiveness of each major responsibility of management in current practices

Session IV Organized Labor

Objectives:
- To trace the history of labor movement in the United States
- To present an understanding of union activities
- To study union-management relationships
- To trace the history of unions in Louisiana and note present status

HANDOUT 1 (Cont'd)

Session V **Leadership**

Objectives:
- To point out how effective leadership is related to good supervision
- To study theories, types, and patterns of leadership
- To make a self-analysis of each supervisor for leadership qualities
- To note carefully how supervision, leadership, and productivity form close relationships

HANDOUT 2

OBJECTIVES OF MANAGEMENT

MANAGEMENT

TO SERVE THE CUSTOMERS

1. Provide goods and services when needed.
2. Provide goods and services at competitive prices.
3. Provide goods and services in quantities desired.
4. Provide fairness, integrity, and surety in all dealings.

TO SERVE THE OWNERS

1. Provide fair return on investments.
2. Provide adequate records on status of organization.
3. Provide efficient operation of organization and freedom from insolvency.
4. Provide assurance of long-range program of operation.

TO SERVE THE EMPLOYEES

1. Provide protection against accidents, occupational diseases, etc.
2. Provide fair wages.
3. Provide information about what is going on in organization.
4. Provide a feeling of job satisfaction.

HANDOUT 3

PRINCIPLES OF SCIENTIFIC MANAGEMENT

1. The scientific study of management is relatively young and it is certain that more advancements will come.
2. Scientific management can be practiced in every field of management and is not restricted to only one type business.
3. Scientific management is not a "true science" because the human element is an important part of management; the exact behavior of a human being under stated conditions can not be precisely determined, only approximated.
4. Scientific management as a method is only a tool for management; management must know how to use it for it to be effective.
5. The scientific management approach to problem solving cannot be expressed by a certain set of formulas; however, it does have a defined pattern which should be followed.
6. The scientific method involves a clear statement of the problem and the collection and recording of data and facts previously discovered about the problem.
7. In every case, the effectiveness of the scientific method is limited by the manager's understanding of it.
8. Scientific management aims toward the motivation of both worker and manager.
9. There must be a level of understanding and mutual trust between the worker and manager for scientific management to be effective.
10. Scientific management stresses that the initiative and hard work of employees must be recognized by management.
11. A scientific selection and training of workers rather than a rule-of-thumb method is necessary for effective management.
12. Scientific management advocates good lines of communication between manager and worker.

HANDOUT 4

SUMMARIZATION OF THE HAWTHORNE EXPERIMENT

1. The Hawthorne Experiment conducted at the Hawthorne, Illinois Division of the Western Electric Company was one of the most famous industrial relations studies in the field of management and the human relations aspect toward workers.

2. The experiment provided the basis for much of what we now know about getting along with employees and understanding employee problems.

3. The experiment was conducted by the Industrial Research Department of Harvard University and a group of Western Electric Company personnel.

4. An early phase of the experiment proved that an improvement in the physical environment of the place which the work is being done does not always bring about improvement.

5. Another early phase of the experiment concluded that improvement in working conditions and the giving of extra worker benefits does not necessarily result in increased productivity.

6. The Hawthorne Experiment showed that management must understand human motivations and group reactions in getting things done through people.

7. The Hawthorne Experiment introduced the interviewing technique so as workers were given an opportunity to discuss with management their reactions to changes during the experiments.

8. Through the interview technique, regardless of the mechanical or physical changes made in the working arrangements, productivity continued to increase--a realization that when the workers were asked for their opinions and were able to register their complaints, these workers became more co-operative with management in general and consequently produced more.

9. The Hawthorne Experiment through the interview program found that the interview aids the individual to get rid of useless emotional problems and aids the worker to associate more easily, more satisfactorily with other persons--both fellow workers and supervisors.

10. The Hawthorne Experiment had several phases of development since its beginning in 1929; originally designed to study the comfort of workers as a group of individuals, it resulted in realization of management that one of the fundamental problems in large-scale industry is the developing and sustaining of co-operation in the work force.

HANDOUT 5

CHARACTERISTICS OF THE CORPORATION

1. The corporation is a distinct entity, separate and apart from its members; it exercises its rights and bears its obligations in its own name and not in the name of its members.

2. The corporation holds title to property in its own name, and may sue or be sued in the courts in its own name.

3. The interests in the ownership of a corporation are divided into transferable units known as shares of stock; the owners of the corporation are known as stockholders; they may sell this stock without interfering with the operation or nature of the corporation.

4. Since a corporation is a legal being in its own name, it is responsible for its own acts and obligations; therefore, creditors of a corporation may not look beyond the assets of the corporation for satisfaction of their claims.

    a. The loss that a stockholder may suffer is limited to the amount of his investment--his personal property is not subject to judgment by creditors.

    b. This feature of only the stockholder's investment in the corporation being liable for the satisfying of a debt is referred to as "limited liability of stockholders."

5. The life of a corporation depends upon the terms of its charter; it may be perpetual or it may continue for a specified period of years; it is not affected by the death or the incapacity of its stockholders.

6. As the corporation is a legal being, it is subject to federal income taxes in its own name; these earnings are again subject to income taxes when distributed to stockholders as dividends.

    a. Although there is an income tax credit given to stockholders when filing income tax returns, this tax situation is referred to as "double taxation of corporation income."

7. Under the corporate form, accumulation of business capital may be done by selling shares of stock to many different individuals.

8. The corporation is given legal form by the state to which it applies for its charter; the secretary of state is the office where this procedure is done.

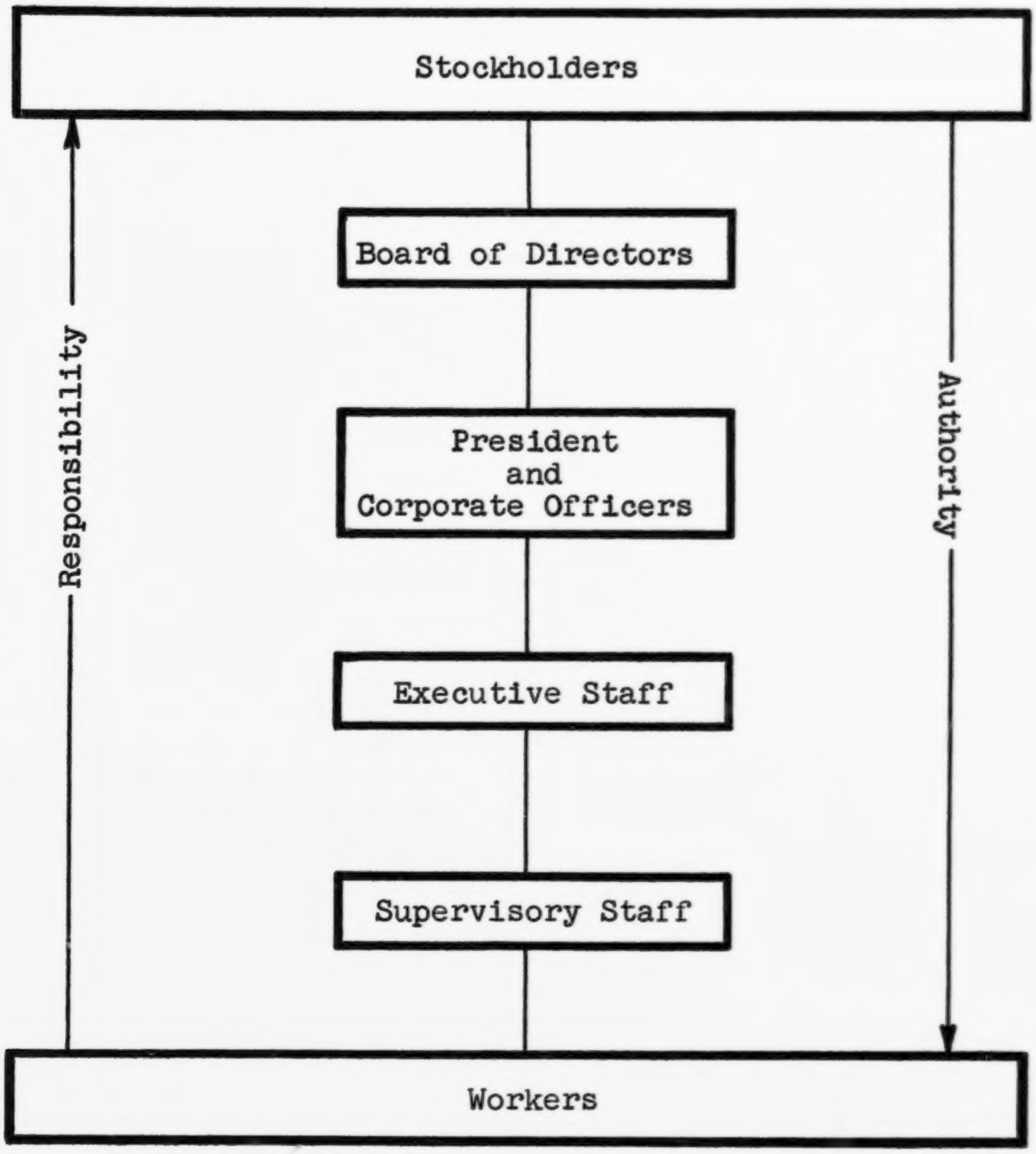
9. The corporation organized under the laws of a state is known in that state as a "domestic corporation."

   a. The corporation must secure a permit to transact business in other states, where it would be referred to as a "foreign corporation."

10. A stock corporation is organized for profit, has its capital stock divided into shares, and is authorized to distribute portions of the profits to the shareholders; a nonstock corporation is not organized for profit, and includes religious, charitable, civic, and similar organization.

HANDOUT 6

CORPORATE FORM OF ORGANIZATION


Stockholders
Board of Directors
President and Corporate Officers
Executive Staff
Supervisory Staff
Workers
Responsibility
Authority

HANDOUT 7

AUTHORITY, RESPONSIBILITY, AND DELEGATION

1. Authority is handed down from someone at an upper level to someone at a lower level in the organization.

2. If a person is to be held accountable for results, he must be given adequate authority to get the job done.

3. Unless lines of authority are communicated and made clear, such authority is ineffective.

4. Lines of responsibility must be communicated and made clear, otherwise such a situation becomes detrimental to an organization.

5. The axiom "a person should not be given a responsibility without authority to carry it out" has considerable merit.

6. Authority should not be without responsibility, nor should responsibility be without authority--both must be coequal to be effective.

7. A person should know at all times to whom he is accountable--to whom his responsibilities lie for the performance of his duties.

8. Delegation involves the granting of an equal portion of authority and responsibility from one person in the organization to another so that certain activities can be performed.

9. It is impossible for one person to perform all duties, be responsible for such activities, and have all authority in the organization--such have to be given to others.

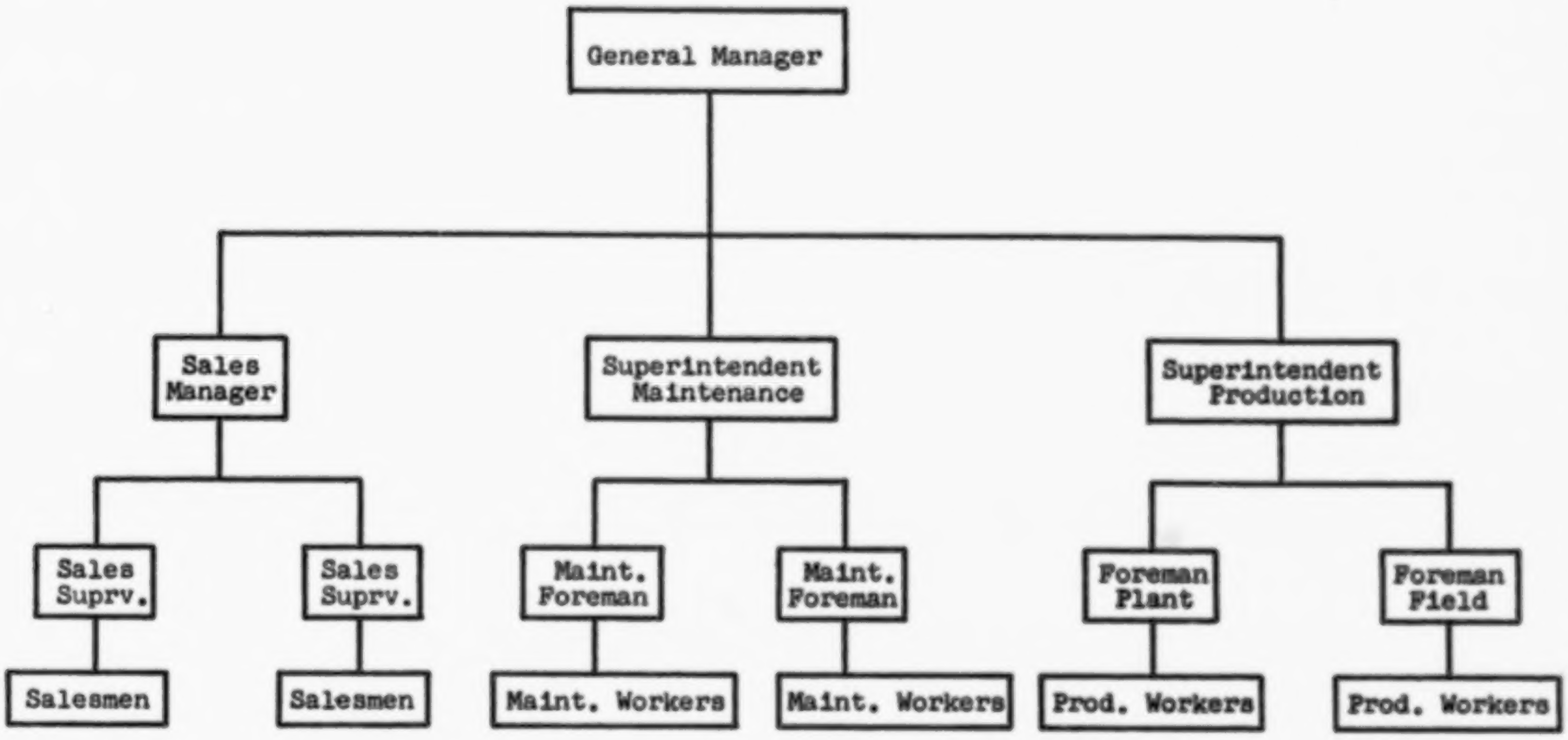
10. Delegation extends the capacity of a supervisor when he can no longer perform his responsibility alone--the supervisor is relieved of many of the routine tasks.

11. There can be resistance to delegation by some supervisors who are reluctant to admit their limitations or because of their desire for personal power.

12. The supervisor who delegates authority and responsibility always remains accountable for what is or what is not accomplished.

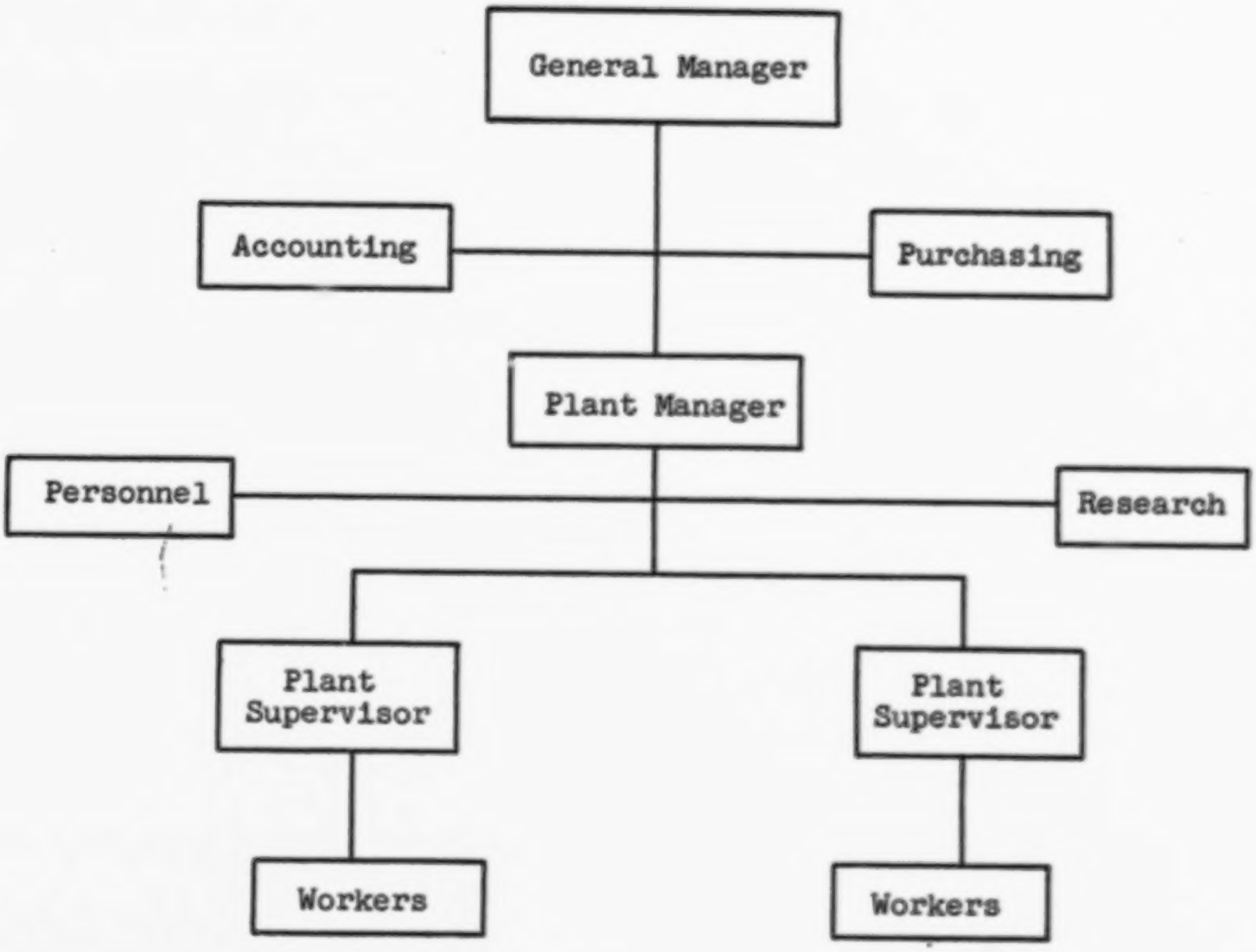
HANDOUT 8

LINE-TYPE ORGANIZATION


General Manager
Sales Manager
Superintendent Maintenance
Superintendent Production
Sales Suprv.
Sales Suprv.
Maint. Foreman
Maint. Foreman
Foreman Plant
Foreman Field
Salesmen
Salesmen
Maint. Workers
Maint. Workers
Prod. Workers
Prod. Workers

HANDOUT 9

LINE AND STAFF ORGANIZATIONAL STRUCTURE


General Manager
Accounting
Purchasing
Plant Manager
Personnel
Research
Plant Supervisor
Plant Supervisor
Workers
Workers

HANDOUT 10

PLANNING--A FUNCTION OF MANAGEMENT

1. Planning is related to all managerial actions--every problem, situation, or activity requires some degree of planning.

2. The planning which each supervisor does must fit into the planning for the over-all organization.

3. The function of planning requires some sacrifices on the part of management--time and extra effort are needed for planning.

4. Since planning means the anticipation of future events, it varies from one situation to the next.

5. Experience is a prime factor in the improving of planning ability.

6. No plan is better than the judgment that goes with it--such judgment can be developed by recognizing and correcting weaknesses in previous planning activities.

7. Planning requires careful follow-up to evaluate successes or failures of proposed activities.

8. All managers must do planning for their respective work areas with such involving factors as "who, what, when, where, why, how" questions.

9. Before the supervisor can do effective planning, he must know his job and responsibilities.

    a. Unless the supervisor fully understands the job--processes, machines, personnel, services or products, customers, etc.--any planning which may be done will be the "hit-or-miss" type.

10. The supervisor who knows how to plan and does so can save his company money:

    a. Poor planning is the most common cause of unnecessary overtime.

    b. Scrap and waste are items which result in large costs--such can be reduced with good planning.

    c. Costly equipment and machine breakdowns can be eliminated with preventive maintenance planning.

    d. Lack of planning can result in poorly trained employees which results in lowered productivity and other related problems.

e. A work schedule which is not planned will not keep employees productively employed for the full course of the day--this results in higher unit costs.

HANDOUT 11

ORGANIZING--A FUNCTION OF MANAGEMENT

1. Good organizing requires planning because an organization is constantly changing to keep pace with changing events.

2. People in the organization play a vital factor in its functions--principles of organizing must always consider the human element.

3. Organizing which has been done based on sound management concepts must still be subject to study and constant adjustments to meet the dynamic role it plays.

4. The function of organizing can not be done "overnight"--it requires sufficient time for the many phases of work necessary in the organizing process.

5. Organizing requires that provision be made for the supervision of all essential activities in the organization.

6. Responsibilities assigned and authority given to personnel must be clearly defined in the organizing function.

7. Organizing stresses the organizational structure--that is, the relations between management and workers, the relations between co-workers, and the relations between workers and management--such need to be spelled out in the organizational charts and manuals.

8. Staff and line functions must be differentiated and clearly defined in the organizing function.

9. The principle of organizing, which is often foremost in the minds of management, is that the work of the enterprise must be accomplished through the organized efforts of many persons and groups.

10. Organizing provides unity to the enterprise, as well as to the actions of the groups.

11. Without the function of organizing being performed effectively, much energy, effort, and material would be wasted.

12. Many problems which exist in management are direct results of improper or poor exercise of the organizing function.

HANDOUT 12

DELEGATING--A FUNCTION OF MANAGEMENT

1. The supervisor who delegates and directs work effectively is free to do more supervisory work and over-all planning.
2. Without delegation, a person is limited by what he alone can effectively control.
3. The practice of delegation enables the supervisor to organize the department's work more effectively.
4. The line of communication between supervisor and subordinate must be kept open when delegation is done.
5. A lack of ability to direct is a definite barrier to successful delegation.
6. Delegation requires: (a) that the supervisor be able to think ahead and visualize the work situation, (b) formulate objectives and plans of action, (c) communicate directions to subordinates.
7. Subordinates will hesitate to accept responsibility when they believe that they lack the necessary information and resources to do a good job.
8. Many supervisors fail to delegate because they have the "I can do it better myself" attitude.
9. It is a generally accepted principle that the supervisor must believe that his job requires that work must be done through other people before he will make full use of delegation.
10. The supervisor who fails to delegate duties to his subordinate because he lacks confidence in him should either train the subordinate or get another one.
11. Delegation is a two-sided relationship; the supervisor who is accountable for achieving certain results; and the subordinate on the other hand who is expected to carry out the assigned delegation.
12. The supervisor must always follow up on a delegated job with an appraisal of the employee's performance; pointing out weaknesses and giving praise for good work.

HANDOUT 13

CONTROLLING--A FUNCTION OF MANAGEMENT

1. Controlling constitutes an important function of management as the activities of the enterprise must proceed within certain desired channels.

2. Control efforts on the part of management become easier when each member of the organization knows what the objectives and goals are of the organization, section, and department.

3. Controlling the activities of personnel in the organization by management necessitates the use of good channels of communication.

4. Having each person in the organization with fixed responsibility is effective in achieving good controls.

5. The organization structure has much to do with how effective the control of activities by management will be.

6. Policies which outline clearly the broad and comprehensive outlines for guiding the directions of the enterprise have much to do with control.

7. The use of orders, rules, and instructions aid greatly in controlling the activities of personnel in the organization.

8. An evaluation of control based on expected results must be made to determine the effectiveness of current control techniques.

9. Effective control requires the delegation of authority to those persons responsible for getting work done.

10. The degree of control which the supervisor must exercise is dependent upon several factors--efficiency of workers, morale of workers, motivation needed for effective work, leadership capabilities of subordinates, etc.

HANDOUT 14

CO-ORDINATING--A FUNCTION OF MANAGEMENT

1. Co-ordination makes possible a greater total accomplishment than that evidenced by individuals working along independently.

2. A better understanding of organizational principles is possible where co-ordinating of activities is stressed.

3. Co-ordination results in a minimum of waste of material and worker efforts.

4. Greater competency and skill by workers in relation to their jobs is evidenced when they know exactly what is to be done.

5. Co-ordination results in a better utilization of the elements of human relations--the working together aspect unites individuals toward common goals.

6. Co-ordination results in a better organized work force based oon the division of functions which blend together into a united effort.

7. Many of the problems normally encountered in the area of communications are not present when effective co-ordinating is practiced.

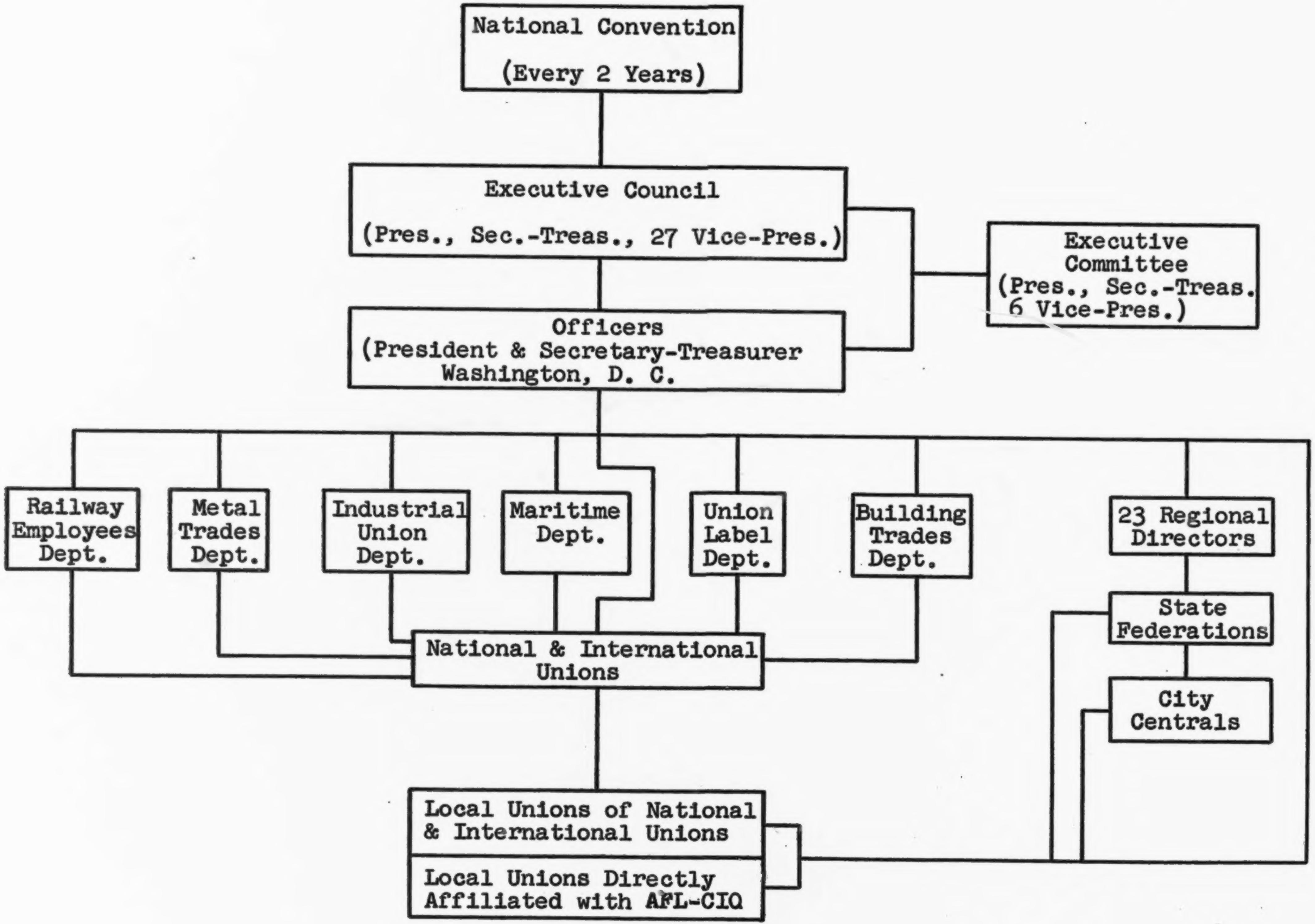
8. The function of co-ordinating gives management an opportunity for further developing their skill for getting work done through other people.

9. When the function of co-ordination is practiced, management has the opportunity to view the entire structure or balance of work being done.

10. Co-ordinating results in a degree of orderliness to operations which would not be evident otherwise.

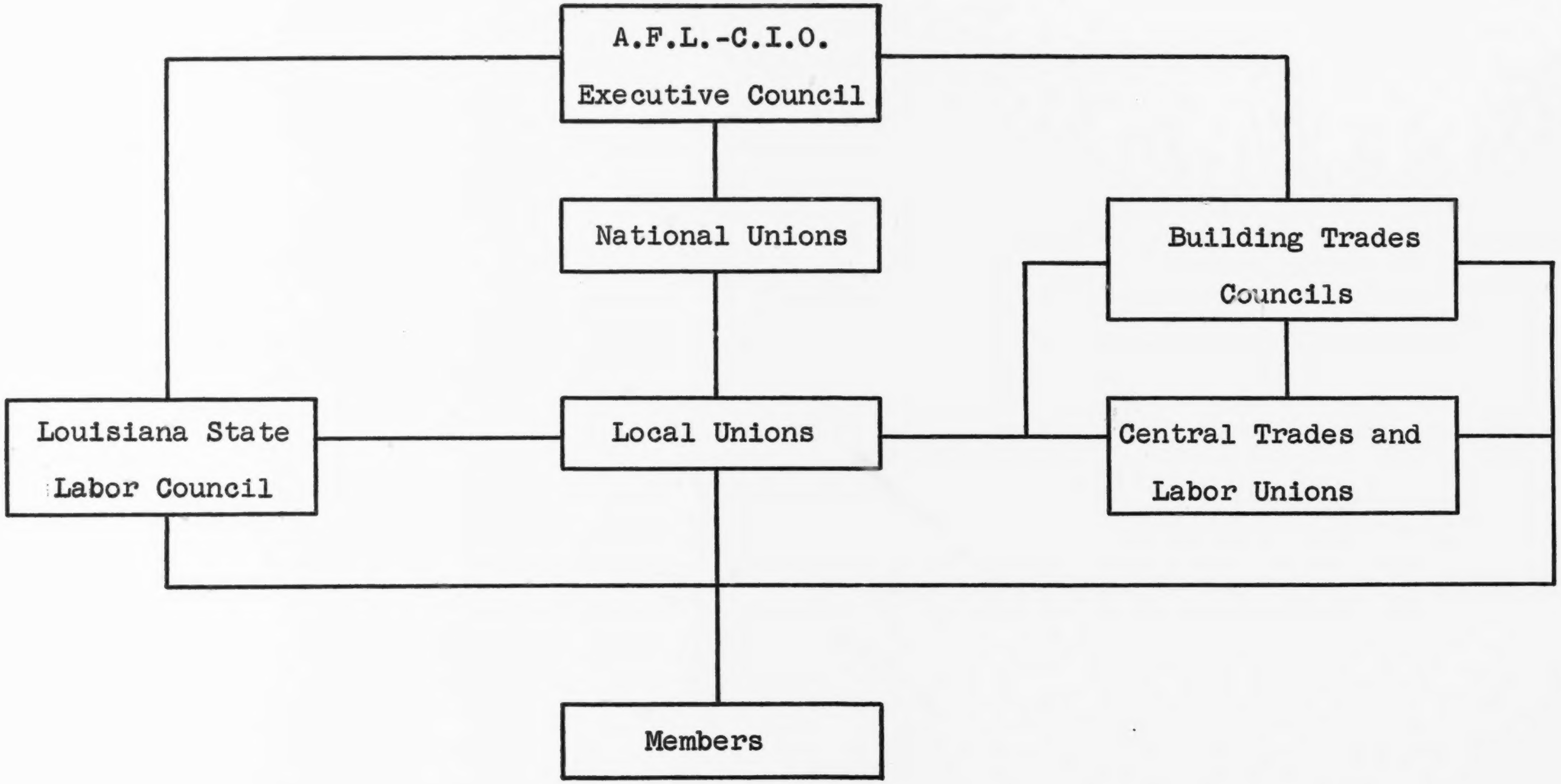
HANDOUT 15

STRUCTURAL ORGANIZATION OF THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS


National Convention
(Every 2 Years)
Executive Council
(Pres., Sec.-Treas., 27 Vice-Pres.)
Executive Committee
(Pres., Sec.-Treas. 6 Vice-Pres.)
Officers
(President & Secretary-Treasurer
Washington, D. C.
Railway Employees Dept.
Metal Trades Dept.
Industrial Union Dept.
Maritime Dept.
Union Label Dept.
Building Trades Dept.
23 Regional Directors
State Federations
City Centrals
National & International Unions
Local Unions of National & International Unions
Local Unions Directly Affiliated with AFL-CIO

HANDOUT 16

THE STRUCTURE OF THE A.F.L.-C.I.O. IN LOUISIANA


A.F.L.-C.I.O.
Executive Council
National Unions
Building Trades
Councils
Louisiana State
Labor Council
Local Unions
Central Trades and
Labor Unions
Members

HANDOUT 17

THE SUPERVISOR--DRIVER OR LEADER?

	DRIVER		LEADERSHIP
1.	Drives the worker	1.	Inspires and impresses the worker
2.	Uses threats and intimidation	2.	Uses principle of mutual understanding and recognizes the right of the individual
3.	Completes work at the expense of workers	3.	Completes work, but develops workers in the process
4.	Desires to dominate every person and activity	4.	Desires to share and delegate authority and responsibility
5.	Is found in the back of the group "driving"	5.	Is found in front of the group "leading"
6.	Blames others for failures or setbacks	6.	Assumes blame; but evaluates situation so it will not happen again
7.	Always takes personal credit for the success of any job	7.	Gives workers recognition for success of a job
8.	Does not give workers a chance to make suggestions	8.	Welcomes suggestions from workers
9.	Stresses getting the job done by whatever means are necessary	9.	Stresses teamwork in getting the job done
10.	Shouts insults at workers who make mistakes.	10.	Trains and coaches workers so that they know how to do the job

HANDOUT 18

QUALIFICATIONS FOR LEADERSHIP

1. Knowledge of human relations--a leader's job is to develop people.
2. Ability to communicate without misunderstandings.
3. The ability to exercise good judgment in all matters, both business and personal.
4. Persistence in driving toward goal or objective.
5. The ability to inspire confidence in people.
6. A leader must understand people and know their weaknesses and strength.
7. A knowledge and understanding of the broad policies of the organization.
8. Capacity for doing work which requires both mental and physical energy.
9. Willingness to listen to subordinates with a sincere desire to understand the person's point of view.
10. Free from bias in dealings with others.
11. Ability to control emotions and refrain from show of temper.
12. Knowledge of the operations he is responsible for supervising.
13. Teaching and training abilities.
14. Reputation for honesty and forthrightness.
15. Acceptance of responsibilities for getting work accomplished through a group of people.

HANDOUT 19

LEADERSHIP SELF-APPRAISAL TEST

Instructions: Read the questions carefully and answer them honestly. Nobody but you will see the results so be frank and objective. Before answering a question, think back and consider several incidents related to the question that involved you with subordinates, co-workers, or supervisors. There are three possible answers to each question; put a check under the answer appropriate to you for each question.

	Yes	Sometimes	No
1. Do you enjoy the feeling that you have more knowledge of the job than anybody else in the department?			
2. Do you believe that all people are basically alike?			
3. Are your suggestions sometimes turned down by your supervisor because you have failed to consider all possible factors?			
4. Do you discard a new idea when you get opposition to it?			
5. Do you feel that the work in your department would slow down considerably if you were absent for two or three days?			
6. Do you feel that your subordinates do not show enough respect for you?			
7. Have you ever disliked someone because he reminded you of someone else you didn't like?			
8. Do you think there is any harm in letting subordinates know when you're angry?			
9. Do you believe you can just about judge a person's character by his appearance?			
10. Have you found it difficult to speak up in meetings and discussion talks with your supervisors?			
11. Do you feel that it is better to smooth things over with workers than to use authority in personnel problems?			
12. Do you feel that you're doing a good job only when your boss tells you so?			

HANDOUT 20

PRINCIPLES OF EFFECTIVE HUMAN RELATIONS

1. An individual wants to know what is going on in the department and company which he works--he needs to be informed.
2. Every person likes to feel important.
3. There are no two people who are exactly alike in their personalities, interests, dislikes, or likes.
4. A person likes to know that the other person is listening while he is talking.
5. Persons like to be asked their opinions on matters.
6. Most persons like to talk about the subjects which they are interested in.
7. Persons do not like to be criticized while others are present.
8. Most persons are sentimental about personal achievements, experiences, and feelings.
9. A person who is performing under a threat of fear will not put forth his best efforts.
10. When a person makes a mistake, he likes to have a chance to "save face."
11. A person likes to be recognized for a job well done.
12. The one thing which motivates a person more than anything else in his work is his feeling of importance in doing the job.
13. A worker will not show interest in his work unless he gets some personal satisfaction from doing it.
14. Persons want to be accepted as part of the work group or the department.
15. Every person wants those things which he believes he is rightfully entitled to.